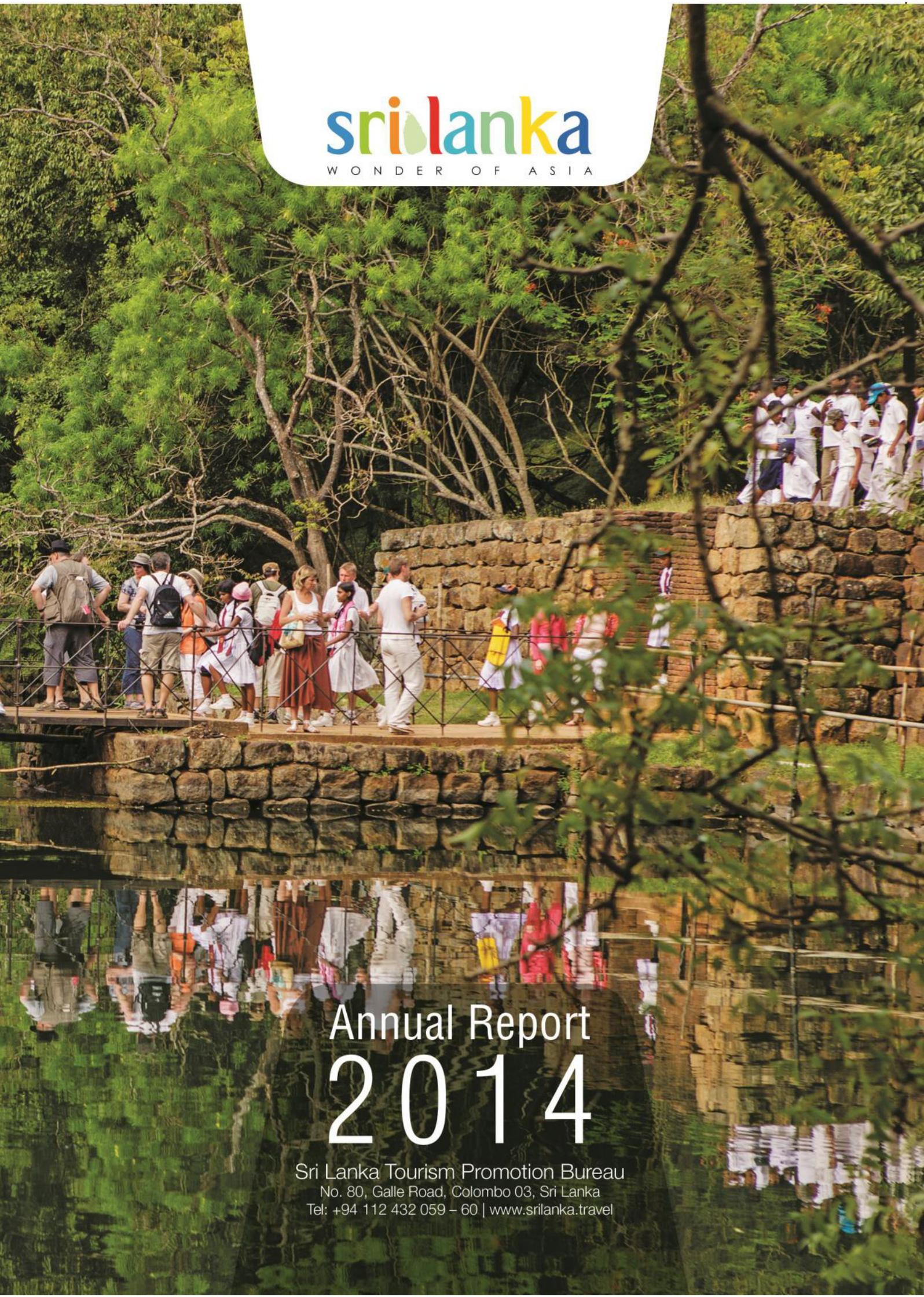




sri lanka
WONDER OF ASIA



Annual Report
2014

Sri Lanka Tourism Promotion Bureau
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Tel: +94 112 432 059 – 60 | www.srilanka.travel

ANNUAL REPORT 2014



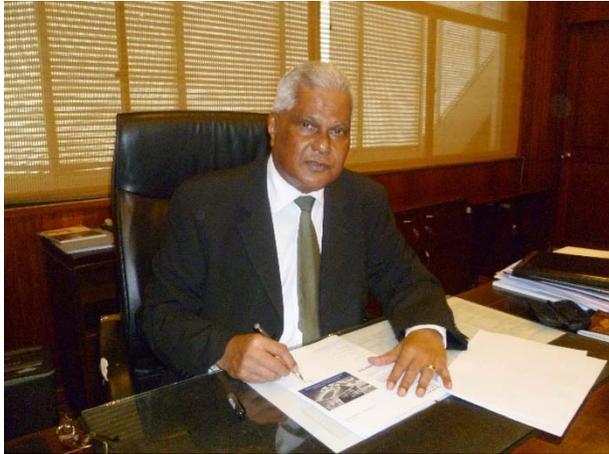
SRI LANKA TOURISM PROMOTION BUREAU

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CHAIRMAN'S MESSAGE



Sri Lanka Tourism Promotion Bureau, SLTPB, is an established body under the Tourism Act. No. 38 of 2005 of the Parliament of the Democratic Socialist Republic of Sri Lanka. The Sri Lanka Tourism Promotion Bureau functions under the Ministry of Economic Development for the year 2014. This plays a key role in promoting and marketing Sri Lanka as a tourist and travel destination both locally and globally. Sri Lanka Tourism is active in 22 key markets, promoting island's Unique Selling Proposition (USP) featuring eight tourism products to entice people to visit and re-visit the country. SLTPB has conducted country specific promotional activities in the key markets to gear up the number of arrivals.

The Strategic Development Plan of Sri Lanka tourism attained its core objectives by serving the needs of all stakeholders. This ensured that the economic benefits of the industry distributed to a larger cross section of the society being in line with the national effort of Sri Lanka. The growing Tourism industry has been manifest 2014 accomplishing a target of 1.5 million tourists to Sri Lanka. This industry has revealed a steady growth during the year 2014 and has assured its key focus for the next two years of attracting 2.5 million arrivals by 2016. This year, Sri Lanka Tourism received a total of 1,527,153 tourists which is an increase of 19.8% compared to the total arrivals in 2013. Achieving another astonishing milestone in tourism, Sri Lanka Tourism welcomed the 1,000,000th tourist in the year 2014 at the Bandaranaike International Airport on 28th August 2014. Sri Lanka Tourism welcomed the arrival of 100,000th Chinese tourist also in year 2014.

As a result of that Sri Lanka Tourism has shown a growing number of tourists' arrivals from its key markets as well as from the emerging markets in the recent past. SLTPB mainly conducts activities including advertising, Public Relations and media programs, trade shows and industry programs, consumer promotions, online communications and consumer facilitation to achieve the tourism goals of the nation. I would please to present the Annual Performance Report including all promotional campaigns conducted during the year 2014 to establish and position Sri Lanka as the world's most treasured and greenest island destination for tourism.

BOARD OF DIRECTORS OF SRI LANKA TOURISM PROMOTION BUREAU, 2014

Name	Designation	Period
Mr. Bhashwara Senanka Gunaratne	Chairman / SLTDA / SLTPB	June 2012 – December 2014
Dr. D. S. Jayaweera	Director General / SLTDA	March 2013 – December 2014
Mrs. Hema Dharmawardhana	Addl. Secretary (Administration) / Board Member	May 2014 – December 2014
Mr. Rummy Jauffer	Managing Director / SLTPB	May 2013 – December 2014
Mrs. S. H. D. Kalutanthri	Director / Board Member	October 2013 – December 2014
Mr. Nilmin Nanayakkara	Managing Director / Board Member	July 2013 – December 2014
Mr. Mervin Fernandopulle	Chairman / Board Member	July 2013 – December 2014

SENIOR OFFICERS OF SRI LANKA TOURISM PROMOTION BUREAU, 2014

Designation	Name	Period
Chairman	Mr. B. S. Gunaratne	June 2012 – December 2014
Managing Director	Mr. Rummy Jauffer	May 2011 – December 2014
Director Marketing	Ms. Madubhani Perera	January 2008 – December 2014
Director Finance	Mr. W.Wimalasene	May 2014 – December 2014
Director Public Relations	Mr. Dushan Wickremasuriya	July 2014 – December 2014

I. BACKGROUND

The booming Sri Lankan Tourism industry has been marked 2014 in gold by achieving 1.5 million tourists. The tourism industry has shown a steady growth throughout the year and has assured its key focus for the next two years of attracting a number of 2.5 million arrivals by the end of 2016.

Sri Lanka Tourism received a total of 1,274,593 tourists during the year 2013 with an increase of 26.7%. During the year 2014, a total of 1,527,153 tourists have visited Sri Lanka which was an increase of 19.8% compared to January- December total arrivals in 2013. The achievements of the top ten markets of Sri Lanka Tourism during 2014 are as follows.

I.1 TOURIST ARRIVALS FROM TOP TEN MARKETS 2014

No	Country	January- December 2014
1	India	242,734
2	UK	144,168
3	China	128,166
4	Germany	102,977
5	Maldives	86,359
6	France	78,883
7	Russia	69,718
8	Australia	57,940
9	USA	39,371
10	Japan	39,136

Table 1 : Tourist Arrivals from Top Ten Markets 2014 (SLTDA Statistical Report 2014)

The strategic development plan of Sri Lanka tourism achieved its core objectives serving the needs of all stakeholders and ensuring the economic benefits of the industry distributed to a larger cross section of the society being in line with the national effort of making Sri Lanka, the emerging Wonder of Asia. This record breaking tourist arrival was made possible by the leadership given by his Excellency President and guidance given by Minister of Economic Development Hon. Basil

Rajapaksa and efforts made by Sri Lanka Tourism.

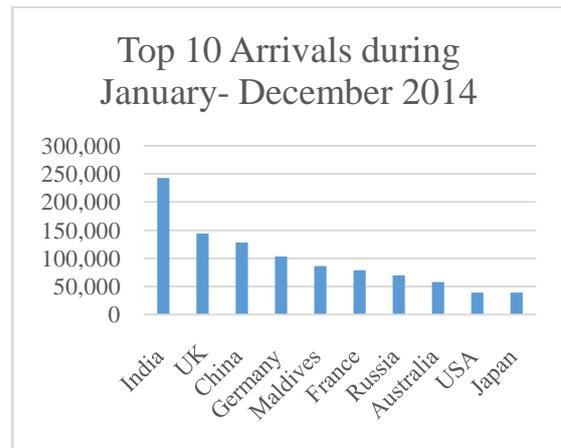
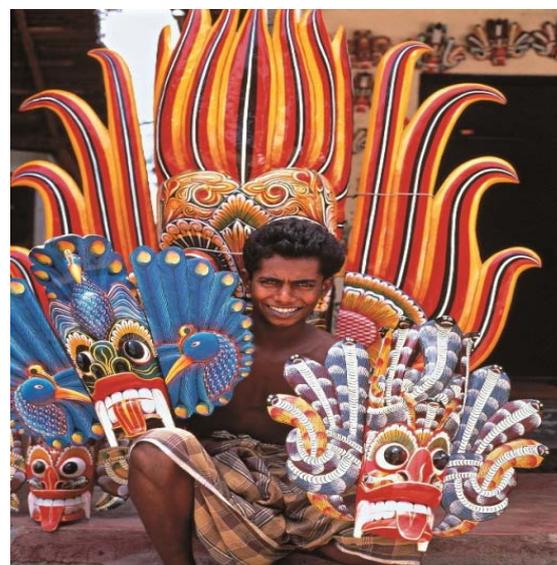


Figure 1 : Top 10 Arrivals during January- December 2014 (SLTDA Statistical Report 2014)

Achieving another remarkable milestone in tourism, Sri Lanka Tourism welcomed the 1,000,000th tourist in the year 2014 at the Bandaranaike International Airport on 28th August 2014. Sri Lanka Tourism welcomed the arrival of 100,000th Chinese tourist also in year 2014. Sri Lanka Tourism along with tourism officials and representatives from travel and tourism industry warmly welcomed the couple HE YOUNG and CHEN HUI HUA from Shanghai who arrived by UL 867 Sri Lankan Airlines flight from Shanghai at 5.30 a.m. as the 100,000th tourist in year 2014 to Sri Lanka.



2. INTRODUCTION

2.1 SRI LANKA TOURISM PROMOTION BUREAU



Sri Lanka Tourism Promotion Bureau, herein referred as SLTPB, is an established body under the Tourism Act, No. 38 of 2005 of the Parliament of the Democratic Socialist Republic of Sri Lanka. The Sri Lanka Tourism Promotion Bureau functions under the Ministry of Economic Development.

The authority shall make an annual allocation to the Bureau for the implementation of the powers duties and functions assigned to it and it shall be the responsibility of the bureau to make optimum use of the funds allocated.

Sri Lanka Tourism Promotions Bureau (SLTPB) plays a key role in promoting and marketing Sri Lanka as a tourist and travel destination both locally and globally. Sri Lanka Tourism is active in 22 key markets, promoting island's Unique Selling Proposition (USP) featuring eight tourism products to entice people to visit and re-visit the country. SLTPB has conducted country specific promotional activities in the key markets to gear up the number of arrivals. As a result of that Sri Lanka Tourism has shown a growing number of tourists' arrivals from its key markets as well as from the emerging markets in the recent past after the end of the civil war. SLTPB mainly conducts activities including advertising, Public Relations and media programs, trade shows and industry programs, consumer promotions, online

communications and consumer facilitation to achieve the tourism goals of the nation.

2.2 TOURISM INCOME

2.2.1 Embarkation Levy, Tourism Development Levy & Trade Contribution

Embarkation tax to be levied and paid in respect of persons leaving Sri Lanka by ship or aircraft. Finance Act, No. 25 of 2003, imposes a levy on the issue of airline tickets and tickets in respect of a voyage-by-ship. The Act replaces the Embarkation Tax Act, No. 19 of 1961 and amends the Air Navigation Act (Chapter 365). On the turnover of institutions licensed under the Tourist Development Act, No. 14 of 1968 and to provide for matters connected therewith or incidental thereto.

The Sri Lanka Ministry of Tourism in consultation with the Ministry of Finance introduced the Tourism Development Levy in September 2003. The Tourism Development was used towards developing and promoting Sri Lanka tourism. Every institution licensed under the Tourist Development Act, No. 14 of 1968 was eligible to pay a levy of one percent per monthly turnover. The levy would not be charged on the turnover of any General Sales Agent licensed under the Tourist Development Act, No. 14 of 1968 as a Travel Agent, with effect from January 1, 2004. The Director-General of the Ceylon Tourist Board can retain the entirety of the Levy collected under subsection. He shall also furnish such returns in such manner as may be prescribed in that behalf to the Deputy Secretary to the Treasury, within thirty days of the date on which such amount was collected.

In addition to these two levies Sri Lanka Tourism Promotion Bureau collects a trade contribution for the respective promotions such as trade & consumer fairs, road shows as a facility fee. The Sri Lanka Tourism Promotion Bureau organise the overall promotional activities which includes event coordination, branding and designing of

propaganda materials and platforms, facilitation services for the trade including visa recommendation. The income generated by the collection of Embarkation Levy, Tourism Development Levy and Trade Contributions were funded to further develop and promote Sri Lanka Tourism aligning with prevailing government development agenda.

2.3 STRATEGIC OVERVIEW

2.3.1 Vision

“Establish and position Sri Lanka as the world’s most treasured and greenest island destination for tourism”

2.3.2 Mission



“Positioning Sri Lanka as a treasured island destination making as the top of mind destination among the potential global travellers by promoting its beautiful beaches, warm and friendly people, with a strong nature, culture and adventure by offering and raising its profile as an Asian Tourism Icon while making it as the largest foreign exchange earner benefiting the stakeholders of tourism and the people of Sri Lanka.”

2.3.3 Objectives

According to the tourism act, the bureau shall have the following objectives;

- I. Marketing and promoting of Sri Lanka directly or indirectly, as a tourist and travel destination of quality in

accordance with the Tourism Development Plan in consultation with the authority.

2. Promoting Sri Lanka as a gateway to the South Asian Region.
3. Making Sri Lanka known as a centre of excellence in tourism management and development in the region.

2.4 THE BRAND

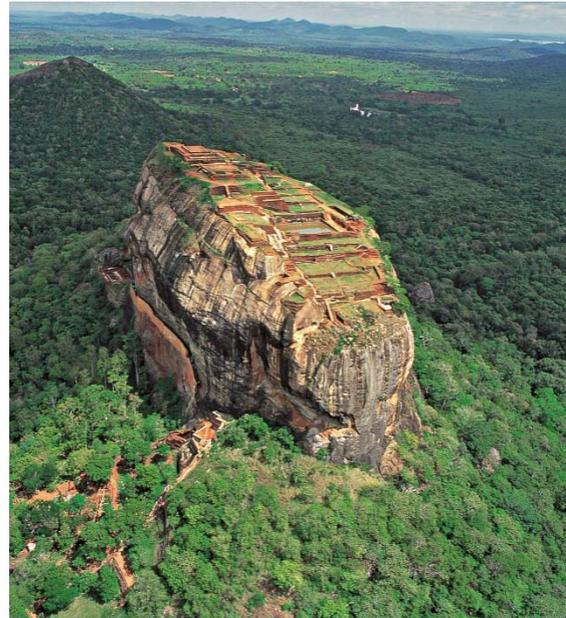
2.4.1 Logo, Slogan, Promotional Themes & USP's (Unique Selling Propositions)



Figure 2 : Brand Logo of Sri Lanka Tourism (Brand Guidelines SLTPB, 2010)

The current brand value of Sri Lanka was upgraded making a strong voice in the global context with the help of effective marketing activities carried out during the year 2014. The slogan of “Wonder of Asia” was used with the eight colour “Sri Lanka” logo with centred Sri Lankan island shape in all promotional materials.

One of the many unfathomable mysteries of Sri Lanka was how to manage, to squeeze so many different landscapes, weather patterns, over a 2500 old ancient culture, in latter periods the impacts of Dutch, Portuguese cultures, and eleven of the world’s famous heritage sites, probably even the world’s eighth wonder, the diverse crops from coconut along the warm coastal waters and sandy beaches and the world famous tea gardens in the salubrious highlands, its abundant flora, fauna, and wildlife, its tropical rain forests.



Sri Lanka face intense competition from other tourism destinations both regionally and globally and these consumer and trade related promotions were supported to make a visible impact for Sri Lanka Tourism. In order to remain competitive as a tourism destination and sustain competitiveness, Sri Lanka was focussed on specific promotions under the identified eight themes as her tourism product portfolio to promote among the potential travellers. There were three USPs identified by Sri Lanka Tourism to set Sri Lanka apart from its competitors. They were SLT's key points of difference and listed below.

- ♣ Diversity
- ♣ Authenticity
- ♣ Compactness

Sri Lanka Tourism Promotional Strategy was aligned with these three USPs (Unique Selling Propositions). All promotions were focused on offering an extraordinary island experience to accomplish the self-actualisation needs of the traveller.

3. TOURISM PROMOTIONS

Promotional activities were planned with the support of the trade followed by country planning sessions to achieve the annual objectives assigned by the Sri Lanka Tourism Development Authority. Annual marketing objectives of SLTPB were developed based on arrivals, per day traveller expenditure, tourism revenue and number of days spent according to the research information of Sri Lanka Tourism Development Authority. SLTPB has set out policies to achieve the objectives mentioned under the tourism act. The promotions were structured under the promotional mix strategies of Direct Marketing, Sales Promotions, Public Relations & Advertising. All SLTPB activities were aligned with a Board Approved country specific annual marketing action plan which was developed with the recommendations of overseas missions and local trade to promote upscale tourism.

Marketing activities were carried out in 22 key markets namely UK, Germany, France, Austria, Belgium, Italy, Russia, Czech Republic, Poland, Scandinavia, Sweden, Netherland, USA, China, Japan, Korea, Malaysia, Singapore, India, Australia, Israel, Middle East, Turkey. Key Tourist Arrival Markets to Sri Lanka are depicted in the world map below.

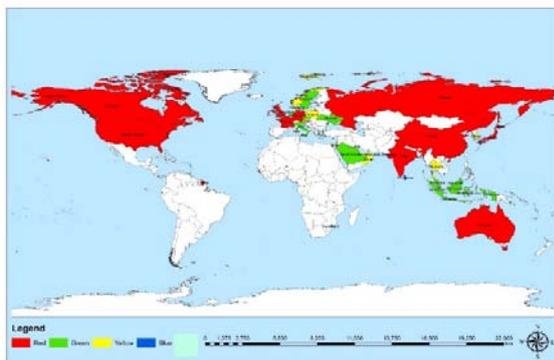


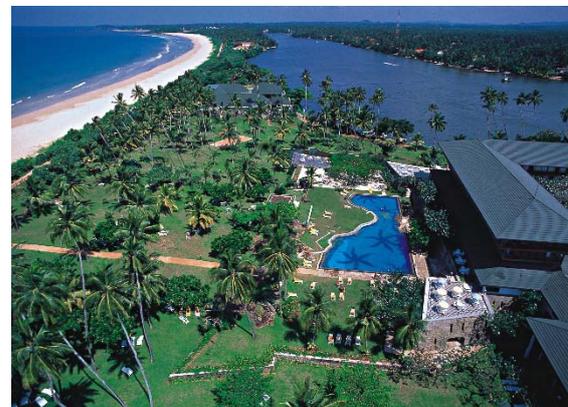
Figure 3 : Key Markets of Sri Lanka Tourism (2014)

- Red : Established Markets
- Green : Emerging Markets
- Yellow : Potential Markets
- Blue : Sri Lanka

3.1 COUNTRY SPECIFIC MARKETING ACTIVATIONS

There was an annual trade fair plan which was identified by SLTPB for year 2014 to create opportunities to interact with international trade.

Each fair was coupled with road shows accompanied by B2B meetings with the individual trade partners to strengthen the relationships and to create businesses. SLTPB supports the SME Sector to involve with destination promotion activities and enhance the industry professionalism via participating at trade fairs, industrial training programmes and awareness sessions.



3.1.1 INDIA

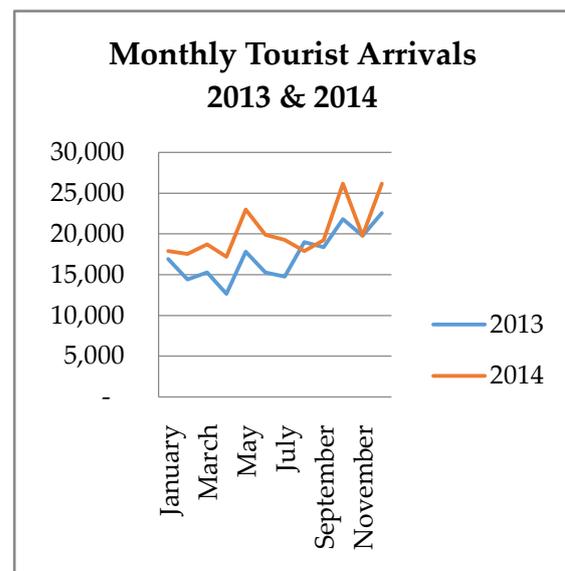


Figure 4 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)



India recorded 242,734 tourists to Sri Lanka during 2014 as the highest number of arrivals in the year being the neighbouring country to Sri Lanka. This was an increase of 16% compared with the 2013 arrivals.

Although there was a drop in the month of August, the trend maintained the natural peaks in all other months as usual. SLTPB is targeting 315,000 number of arrivals from India with a growth of 30% in the year 2015. Month wise tourist arrivals from India are as follows.

Year	2013	2014
January	16,938	17,886
February	14,429	17,534
March	15,281	18,734
April	12,657	17,192
May	17,834	22,981
June	15,297	19,911
July	14,783	19,277
August	18,999	17,912
September	18,389	19,244
October	21,833	26,148
November	19,796	19,762
December	22,559	26,153
Total	208,795	242,734

Table 2 : Month Wise Tourist Arrivals from India 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

SATTE TRAVEL FAIR, NEW DELHI, 29TH-31TH JANUARY 2014

SATTE, South Asia's leading travel & tourism event, was held in New Delhi at Pragati Maidan from 29th – 31st January 2014. SLTPB participated at this fair with 12 participants from Sri Lankan travel trade sharing space of 54 sqm. This was a forum to meet professional outbound buyers and this also encourages the travel agents and tour operators from Sri Lanka to develop new business contacts.

SATTE was one of the biggest networking forums for the travel & tourism industry in North India. Over the years, SATTE has grown both in terms of exhibitors and visitors (including international and domestic buyers) and was today the biggest networking forum for the travel & tourism industry in South Asia. SATTE, was organized by UBM India, a part of UBM plc. The leading global business Media Company listed on the London Stock Exchange and also supported by all leading travel trade associations such as TAAI, TAFI, ADTOI, ATTOI, and IATO among others. SATTE 2014 had over 7500 professional qualified buyers and trade visitors.

OTM MUMBAI, TRAVEL & TOURISM FAIR, 07TH TO 09TH FEBRUARY 2014 & NEW DELHI, 13TH- 15TH FEBRUARY 2014



OTM was the largest travel trade show in India, connecting the global travel fraternity for more than two decades and also the only travel show in India with a balanced mix of travel trade, corporate and general visitors. It was the best platform for marketing to the

Indian travel trade, MICE segment and tourists. Mumbai and New Delhi were the two biggest outbound tourist markets in India, contributing over half of all overseas travel from the country. Visitors can interact with tour-operators, travel agents, hoteliers and airlines to gather information and make national and international travel plans. OTM presents an unparalleled marketing opportunity for exhibitors to connect directly with the largest gathering of prospective travellers and members of the travel industry.

OTM was held in Mumbai from 7-9th February and in New Delhi from 13-15 February 2014. Sri Lanka Tourism stall stood elegant at the exhibition, with its décor of water sports, Colombo city, beaches, wild life and festivals of Sri Lanka. Among the crowd of visitors that attracted the stall were the representatives from national tourist organizations, state tour operators, tour & travel agents, and online travel agencies. Countries such as Russia, Malaysia, Switzerland, China, Egypt, Thailand, Maldives, China, Sweden, and Argentina were among the other international participants at the OTM 2014.

For the third consecutive year, Sri Lanka Tourism Promotion Bureau together with 26 company representatives from the travel and hotel industry in Sri Lanka participated at the OTM Mumbai and New Delhi. Sri Lanka Mission in Mumbai and Sri Lanka High Commission in New Delhi facilitated the participation of Sri Lanka Tourism at the event.

SURAJKUND INTERNATIONAL CRAFTS MELA 2014 (FROM 01ST TO 15TH FEBRUARY 2014)

Surajkund International Crafts Festival, organized by the Tourism Ministry of the State Government of Haryana, was held from 01st to 15th February 2014 in Faridabad. This annual popular event was the largest handicrafts exposition in the world and 23 countries participated to showcase their handicrafts, textiles, culture, arts, cuisine and

tourist potential of their countries. SLTPB supported National Craft Council for their presence at this event.

SRI LANKA FOOD FESTIVAL IN MUMBAI, INDIA 7TH TO 14TH MARCH 2014

The Sri Lanka Consulate General in Mumbai in collaboration with Hotel Trident, Mumbai and Hotel Mount Lavinia of Sri Lanka organized a Sri Lankan Food Festival from 07th – 14th March 2014 at the Frangipani restaurant, Hotel Trident, Mumbai with the objective of promoting tourism between India and Sri Lanka under the name “Destination Promotion” presenting authentic and traditional Sri Lankan cuisine.

OTM - HYDERABAD TRAVEL & TOURISM FAIR, HELD FROM 11TH-13TH JULY 2014 AT HITEX EXHIBITION CENTRE, HYDERABAD

OTM Travel & Tourism Fair, Hyderabad was one of India’s leading exhibitions in India for the travel and tourism industry, which provides an annual opportunity for organizations from India and abroad to showcase their products and services. Sri Lanka Tourism Promotion Bureau participated at the OTM 2014 in Hyderabad along with 09 representatives from travel & tourism industry of Sri Lanka. Also Sri Lanka Tourism stall was awarded as the best Decorative stall at the award ceremony.

IITM- BANGALORE, 18TH-20TH JULY 2014

IITM 2014 concluded with a record number of visitors attending the show in Bangalore, lifting India’s one of the biggest B2B travel trade show to a new high. IITM Bangalore received 2,540 trade visitors in addition; over 7,040 general visitors attended. SLTPB participated at this fair along with 15 travel trade companies sharing a total area of 27. Sqm meters. IITM 2014 Bangalore was one of India’s premier Exhibition that showcases of travel, tourism, hospitality, leisure and other related industries. It was aimed at bringing the Industry, face-to-face with the travel trade, Corporate Buyer and the end-customer with the requisite purchasing power.

3.1.2 United Kingdom

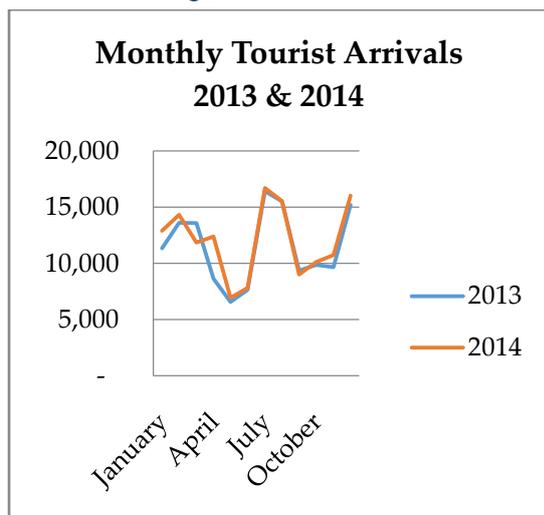


Figure 5 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

UK recorded 144,168 number of tourists to Sri Lanka during 2014. This was an increase of 5% compared with the 2013 arrivals. SLTPB was successful in achieving more tourists in the month of April 2014 breaking the drop had in 2013 via the effective promotional campaigns conducted in UK. Similarly during the months from July to August and from October to December 2014 the number of arrivals from UK was increased with the help of effective consumer promotions conducted in UK. Month wise tourist arrivals from UK are as follows.

Year	2013	2014
January	11,350	12,896
February	13,604	14,316
March	13,590	11,823
April	8,642	12,380
May	6,567	6,918
June	7,642	7,790
July	16,424	16,692
August	15,519	15,532
September	9,356	8,983
October	9,850	10,112
November	9,663	10,730
December	15,209	15,996
Total	137,416	144,168

Table 3 : Month Wise Tourist Arrivals from UK 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

TRADE- UNITE MEET THE TRADE EVENT, UK, MARCH 2014

The annual UNITE Indian Ocean event was held at Mermaid Conference Centre in London in March and attracted an impressive number of trade buyers. Sri Lanka Tourism was among 110 delegates from over 80 exhibiting companies representing over 500 hotels, airlines, tourist boards, associations, ground handlers and hire companies.

CONSUMER- RIHALA, MEANING JOURNEY

Consumer- Rihala, meaning journey, was a consumer travel event showcasing the best in halal-friendly travel destinations, March 2014, SLTPB UK office was given an opportunity (free of charge) to participate in the first Rihala event, which was held at the Arab-British Chamber of Commerce in Myfair, London. Their aim was to provide an opportunity to promote Sri Lanka to the Muslim travel audience, a growing market with affluent travellers looking to discover unique travel experience.

DESTINATION TRAINING PROGRAM – LYCA HOLDINGS, MARCH 2014

SLTPB UK office conducted Sri Lanka training at Lyca Holidays, an online and holiday outlet selling Sri Lankan holidays. They were one of the fastest growing Leisure Travel companies in the United Kingdom, specialising in worldwide flights and holidays. They cater to a wide range of clientele looking for low cost to luxury travel requirements.

50 + HOLIDAYS & TRAVEL SHOW- LONDON 10TH-12TH JULY 2014

SLTPB UK office participated at London Holiday & Travel Show from 10th-12th July which was held at London Olympia. This consumer fair attracted 12,000 consumers during the fair.

WORLD TRAVEL MARKET (WTM), 3RD-6TH NOVEMBER, 2014, LONDON, UK



World Travel Market (WTM), the leading global event of Travel & Tourism Trade, kicked off from 03rd-06th November 2014 at the Excel Exhibition Hall, London, UK. SLTPB participated at this fair along with 58 local travel trade companies by sharing an area of 250 sq. meters. This event was the foremost four day business to business exhibition for the worldwide Travel and Tourism industry. Sri Lanka Tourism Promotion Bureau (SLTPB) participated in conjunction with industrial partners, to promote tourism and to communicate the key messages for the future growth of the tourism on the island 2015 and beyond. WTM attracted more than 30,000 visitors, 5,000 trade partners (exhibitors) and over 3000 journalists around the world. More than 1000 travel agents, including over 200 tour operators also attended this travel Mart.



This year Sri Lanka Tourism stand was featured wildlife theme with local elephant family replicas at the entrance which was a unique Sri Lankan wild life attraction. A boulevard banner depicting Sri Lankan elephants and whales was a key attraction at the entrance to the Asia Hall.

The Sri Lankan stall design was prepared with the in house design advices. During the period of the event, Sri Lanka Tourism has arranged to give away precious blue sapphire gems at the media briefing at the Sri Lanka stall. A number of exclusive media interviews took place with a view of promoting Sri Lanka under the main theme of 'Wonder of Asia', and as an ideal destination for visitors around the world during the press conference. The Sri Lanka stall showcasing traditional Sri Lankan dancing provided a very good opportunity for the visitors to get a glimpse into the culturally rich traditions of Sri Lanka. In addition, a programme to promote Ceylon Tea was held at the time of the exhibition, providing a rare chance to the visitors to enjoy a cup of pure Ceylon Tea.



ADVERTISING CAMPAIGN

(A) Taxi Branding Campaign



SLTPB ensured that the use of taxi advertising was a powerful tool for Sri Lanka Tourism Promotion Bureau to drive brand awareness and help project the country as a beautiful tourist destination across the UK's three major cities. As an outdoor advertising strategy, advertising on taxis allows huge reach to valuable audiences who could be drawn in by this attractive campaign. Sri Lanka Tourism has branded and launched 450 taxis in three of the UK's biggest cities:

Manchester, Birmingham and London during the year 2014.

The first fleets of 300 taxis of this campaign were launched on 4th August in London. “Sri Lanka a Journey Awaits” tagline was promoted with key tourism attractions of Sri Lanka on taxis with a massive fleet of cabs in each city displaying Taxi Super sides, back seat covers, taxi receipts with stunning visual imagery of Sri Lanka’s prominent tourism attractions.

The campaign was run for a total of 12 weeks in the UK. The campaign was blended seamlessly onto each city’s taxi cabs, using clear branding to promote Sri Lanka as the Gateway to Asia. An ideal way to promote a business or project a message to a target city, taxi advertising offers a high-impact approach to effective marketing.

Reinforcing the campaign with interior advertising and ensure reach to an even wider demographic by targeting passengers as well as pedestrians and fellow road users. The UK campaign created a huge impact with the three chosen locations offering the biggest and wealthiest audiences in the UK.



(B) Underground Advertising Campaign

Coinciding the WTM travel and trade Fair in London - UK, a special advertising campaign was launched by Sri Lanka Tourism in central London covering 25 underground stations for a period of 03 months (twelve weeks). The campaign started off on 29th October 2014 to 29th January 2015 in parallel to the WTM Travel Fair in UK. The Underground advertising campaign featured in main stations in central London such as Green Park, Covent

Garden, Holborn, Bank, Leicester Square, Oxford Circus, Piccadilly Circus and Tottenham Court etc... Sri Lanka’s most attractive images on beaches, elephants, leopards, whales, dolphins depicted in this campaign targeting potential travellers in UK.

3.1.3 CHINA

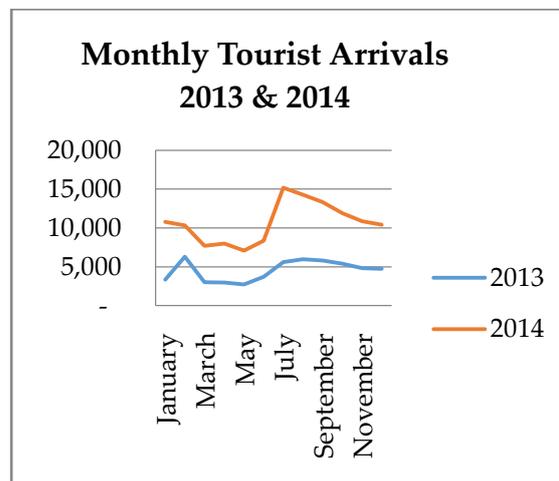


Figure 6 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

China recorded 128,166 number of tourists to Sri Lanka during 2014 as the third largest source market for Sri Lanka. This was an increase of 68% compared with the 2013 arrivals. The peak period is from August to October. The Month wise tourist arrivals from China are as follows.

Year	2013	2014
January	3,328	10,779
February	6,296	10,319
March	3,018	7,700
April	2,959	8,005
May	2,715	7,082
June	3,707	8,345
July	5,576	15,178
August	5,951	14,274
September	5,804	13,312
October	5,388	11,894
November	4,828	10,878
December	4,718	10,400
Total	54,288	128,166

Table 4 : Monthly Tourist Arrivals from China 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

BEIJING INTERNATIONAL TOURISM EXPO (BITE), BEIJING, 27TH-29TH JUNE 2014

BITE was an annual event jointly organized by Beijing Municipal Commission of Tourism and Conference & Exhibition Management Services and was held at the China National Convention Centre from 27th-29th June 2014 in Beijing. Forty travel trade companies participated at this fair along with SLTPB.

GUANGZHOU INTERNATIONAL TRAVEL FAIR (GITF), CHINA, 27TH FEB- 01ST MARCH



Sri Lanka Tourism Promotion Bureau participated at GITF fair along with 20 local travel trade companies and Sri Lankan Airlines which was held in Guangzhou from 27th February to 01st March. Further, road shows in Shenzhen on 24th February and in Guangzhou on 26th February was held with the participation of local travel companies and over 150 agents from China.

This year, Sri Lanka organized two major tourism promotional Road Shows in Guangzhou and Shenzhen, in the South Part of China, highlighting its tourist destinations to attract more tourists and promoting tourism in the country on the side-lines of GITF 2014.

From Sri Lankan side 19 Sri Lankan Travel Agents, Sri Lankan Air Lines and 80 Chinese Travel Agents participated for the Sri Lanka Tourism Promotional Road Show in Guangzhou which took place on 26th February.

In Shenzhen, 16 Sri Lankan Travel Agents and 50 Chinese Travel Agents participate for the event went parallel to the Guangzhou road show which took place on 24th February.

TOURISM ROAD SHOW IN SHENZHEN AND GUANGZHOU, CHINA



In Shenzhen, except for the presence of H.E. the Ambassador, Mr. Chen Biao, Division Chief of Municipal Bureau of Culture, Sports and Tourism Shenzhen, 90 representatives' from travel agencies and tourism media from Shenzhen participated at the Show.



In Guangzhou, the program of the Road Show was almost the same as in Shenzhen. However, the demanding seems to be high.

128 representatives from 80 travel operators and 10 travel media in Guangzhou were presented at the Road Show to discuss with 19 Sri Lankan Tour Operators. It has broken the historic record that over 100 representatives from 80 agents to participate at Sri Lanka Tourism Road Show in China.



WORLD TRAVEL FAIR, SHANGHAI, 09TH-11TH MAY 2014

World Travel Fair (WTF) was an annual event jointly organized by Shanghai Municipal Tourism Administration held from 09th-11th May 2014 at Shanghai. Over 750 Chinese trade buyers and overseas visitors and journalists attended along with the potential travelling public. SLTPB participated along with 07 travel trade companies.

MEGA PROMOTION - SRI LANKA SHINES IN SHANGHAI

A. Press conference and Sri Lanka Night

Mega Promotion Campaign- “Sri Lanka Shines in Shanghai” was launched in Shangri-La Hotel, Pudong, and Shanghai with a massive press conference on 01st July 2014. More than 120 media of China attended the conference. Sri Lankan dance performances added much colour and vibrancy to the press conference, a raffle draw was held to select three winners and offered travel packages to Sri Lanka adding an excitement to the event. The objective of “Sri Lanka Shines in Shanghai” was unfolded at the press conference to the Chinese media through a fully elaborated video presentation. The joint mega promotional campaign is an event organized in combination of the Public and Private sectors of the Sri Lanka for the second time. Sri Lanka Shines in Shanghai three day mega promotional campaign in China reached its climax with a glamorous “Sri Lanka Night” which was held in the evening of 4th July 2014 at Pudong Shangri La Hotel in Shanghai. The event was graced by the distinguished presence of Hon. Basil Rajapaksa, Minister of

Economic Development of Sri Lanka as the chief guest of this glamorous evening.

The glamorous Sri Lanka Night event featured a series of activities highlighting the island’s culture and traditions, reflecting the unique Sri Lanka identity. Popular Sri Lankan traditional dance items and “Drum Fusion” were enacted on stage by the dancers creating high level of enthusiasm among the audience while providing them with a unique experience of true Sri Lankan culture and traditions.

During the event along with Sri Lankan dances, some of the popular Chinese dances were performed on stage highlighting the blend of cultures of both countries. Celebrities like Miss China also attended the Sri Lanka Night adding much more glamour to this dazzling event.

The guests were served with Sri Lankan cuisine prepared by leading Chefs of Sri Lanka during the event adding more flavour to the occasion. While the event unfolded guests started networking among them and developing important links which was certainly serve for the progress of tourism industry.

B to B Meetings with Trade & Tourism



As part of mega tourism campaign, More than 170 tour operators and 161 trade representatives of China participated for the B2B Travel & Tourism Business Forum held on 4th July at Pudong, Shangri La Hotel in Shanghai. They had productive discussions with their leading Sri Lanka counterparts. Thus, the event has created a platform to strengthen the existing business and to create

new business opportunities for both countries. Over 80 enterprise representatives from Sri Lanka one-on-one communicated with Chinese enterprise representatives. They had in-depth exchange of views with each other on black tea, gems, textiles, batik cloths and handicrafts to seek corporation opportunity.

During the event audience had a chance to experience traditional dances and drumming performance of Sri Lanka artists. Sri Lanka Tourism Promotion Bureau in collaboration with Sri Lanka Inbound Tour Operators Association introduced special holiday packages for Chinese travellers, who would like to arrive in Sri Lanka. Sri Lankan Airlines, the island's national carrier offered special air rates for this special tour packages. The lucky winners were selected by a raffle draw during the event proceeding to offer promotional tour packages to Sri Lanka.

Shopping Mall Activation

Shopping mall activation campaign from 4th-6th July 2014 in Shanghai- China under "Sri Lanka Shines in Shanghai" promotional campaign held at the Century Plaza on Nanjing Road, the three-day campaign themed "Sri Lanka Shines in Shanghai" has attracted a large number of travel enthusiasts and urban public to this event.

The entrance to the Nanjing Lu Century Square was designed with a life size replica of the ancient Yapahuwa Entrance and the event arena was decorated with elephants and wildlife replicas which were the main attraction for drawing the crowds to the shopping mall event held in Nanjing Lu square. With world-renowned Sri Lankan jewellery, textiles, seafood, black tea and other special commodities presented, for the crowds gathered at the century square. Moreover, handicrafts featured with Sri Lanka ethnic characteristics have dazzled a large number of urban visitors, who were impressed by superb artistry of these products while travel

enthusiasts were more concerned about the local cultural performances and natural beauty in Sri Lanka and actively took part in games at site.

During the three-day period thousands of people visited the shopping mall activation site and experienced the taste of Sri Lanka through Sri Lanka Shines in Shanghai promotional campaign. Sri Lanka Tourism Promotion Bureau in collaboration with Sri Lanka inbound tour operators association and Sri Lankan Airlines offered special tour packages and complimentary air tickets to the winners at the shopping mall competitions. The lucky winners were selected during the games and competitions held on various topics on Sri Lanka to offer promotional tour packages to Sri Lanka. The Shopping Mall activation was able to gather heavy crowds to the Nanjing Lu Square each day and high level of enthusiasm and participation was seen from the public to experience Sri Lanka. All travel stalls and trade stalls offered information about the destination through promotional material and demonstrations etc.

ADVERTISING CAMPAIGN

A.) BUS BRANDING CAMPAIGN

The mega bus branding campaign which was launched in 2013 in China was continued during 2014 with 200 buses branded with Sri Lanka Tourism attractions in Beijing, Chengdu and Guangzhou. The details of the branding campaign are as follows.

Beijing | 14 Themes | 50 Busses | 11 routes

Shanghai | 14 Themes | 50 Busses | 43 routes

Guangzhou | 14 Themes | 50 Busses | 25 routes

Chengdu | 14 Themes | 50 Busses | 27 routes

The branding campaign was conducted continuously for 6 months in above cities. This was further extended for three months after obtaining the cabinet approval during the year 2014.

B.) OUTDOOR CAMPAIGN

Sri Lanka Tourism launched a specific advertising campaign in Shanghai city covered through outdoor hoardings, Radio, print media, web sites in order to attract visitors during Chinese New Year which was fallen from 31st January to 10th February 2014.

During the mega tourism promotional campaign in China, Sri Lanka Tourism launched a Bill Board Advertising Campaign in the city of Beijing, going parallel to a series of other promotional activities such as promoting Sri Lanka through Light box advertising, print media advertisements , Radio jingles.

The Billboard campaign was the first ever promotion of its kind ever to be executed in Chinese market at this scale. The LED backlit hoarding screens was displayed in over 21 strategic locations in Beijing,

These billboard locations showcased major tourism attractions in Sri Lanka including history and culture, beaches, wildlife, festivals, Ayurveda and spa, gem & jewellery that were of interest to the Chinese travellers. Sri Lanka Tourism also launched a major advertising campaign in Shanghai city covering outdoor hoardings, Radio, print media, websites which was ongoing in the Shanghai city, multiplying the effect generated by Beijing campaign.

MEDIA & TRADE RELATIONSHIPS



Some of the policy decisions made with the support of Chinese government such as removing exist permit, agreement to promote

100,000 tourists to Sri Lanka etc. have contributed to increase the travellers from China.

Further the two governments signed agreements to promote Sri Lanka through major Chinese Travel Media, as a result some of the leading Chinese TV channels such as China Travel Channel, Outlook Traveller China, CCTV 6 and Print media visited Sri Lanka totalling up to 56 media personalities during 2014.

Sri Lanka Tourism also brought down many Chinese Travel Agents and tour operators from various cities to create awareness on the destination aimed at attracting prospective travellers.

Award for excellence formulating a novel tourism strategy for China during year 2013.



Sri Lanka Tourism won the award for excellence formulating a novel tourism strategy for China during year 2014 and partnering and collaborating with Chinese authorities to gain their maximum contribution to successfully implementing the strategy in the Chinese market.

PRESTIGIOUS AWARD FOR “MOST FRIENDLY GOVERNMENT INSTITUTE WORKED WITH CHINA IN YEAR 2013”

Embassy of The People’s Republic of China has placed honour on Sri Lanka Tourism by declaring them as the winner of the prestigious award for “most friendly government institute worked with China in year 2013”. The award was received by Mr.Bashwara Gunarathna –Chairman of Sri Lanka Tourism from H.E. Ambassador of China Wu Jianghao, in a grand ceremony held

at BMICH-Colombo parallel to Chinese New Year Celebrations. Sri Lanka Tourism carried out several major promotional campaigns in China by identifying it as a major emerging market.



MOU ON FRIENDLY COOPERATION BETWEEN SRI LANKA TOURISM AND ZHONGSHAN MUNICIPAL TOURISM BUREAU – CHINA

Sri Lanka Tourism Promotion Bureau and Zhongshan Municipal Tourism Bureau of China recognizing the importance of further tourism promotion on friendly exchanges and cooperation between Sri Lanka and Zhongshan City in China signed a Memorandum of Understanding (MOU) on the tourism promotional initiatives between the two parties in October 2014.

The Parties agreed to enhance mutual understanding and friendship through strengthening regular information exchanges, support each other's tourism promotion events to increase popularity of tourism destinations, promote and organize local tourists to visit each other cities, commence regular / charter flights to Katunayake and Mattala airports and to enhance mutual understanding and friendship through strengthening regular information

exchanges, holding meetings and publishing tourism information through each other's websites and magazines.

The Memorandum of Understanding was signed in this regard by Chairman of Sri Lanka Tourism Promotion Bureau Mr. Bashwara Gunarathna and the Deputy Director General of Zhongshan Municipal Tourism Mr. Dong Zuwen during a press conference held at Taj Samudra Hotel, Colombo. The China- Sri Lanka Friendship Association has coordinated the event between the two countries in order to make it a success.



Media Familiarisation Tours



VISIT OF CHINA CENTRAL TELEVISION MEDIA CREW, 8TH JULY- 6TH AUGUST 2014

11 member TV crew from CCTV visited Sri Lanka from 8th July to 6th August 2014 to produce a documentary "Glamours Sri Lanka" for two hours. They covered Colombo, Bentota, Galle, Kandy, NuwaraEliya.

3.1.4 GERMANY

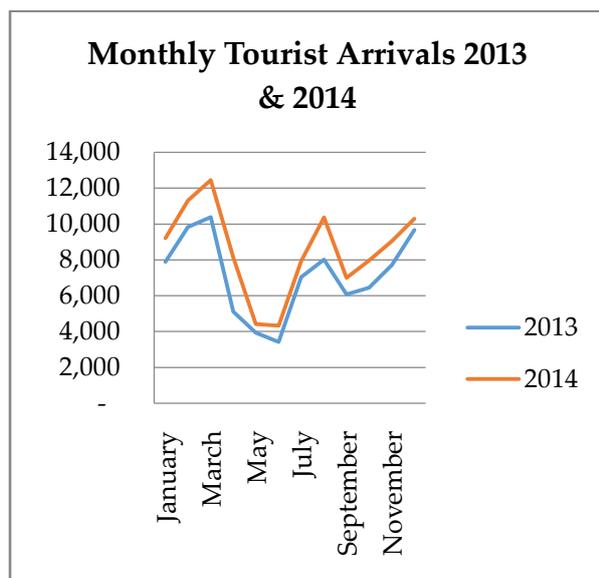


Figure 7 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Germany recorded 102,437 number of tourists to Sri Lanka during 2014 as the fourth largest source market to Sri Lanka. This was an increase of 12% compared with the 2013 arrivals. December – March and the month of August are the peak for German traffic. Month wise tourist arrivals from Germany are as follows.

Year	2013	2014
January	7,893	9,211
February	9,828	11,305
March	10,384	12,448
April	5,099	8,137
May	3,929	4,423
June	3,407	4,328
July	7,027	7,921
August	8,012	10,364
September	6,070	6,996
October	6,436	7,966
November	7,715	9,049
December	9,670	10,289
Total	85,470	102,437

Table 5 Month Wise Tourist Arrivals from Germany 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

ITB 2014, GERMANY, 5TH-9TH MARCH 2014

Sri Lanka Tourism Promotion Bureau participated for the 48th edition of the world's largest travel trade show, International Travel Brochure (ITB) 2014 at Messe Berlin fairground from 03rd to 09th March 2014 in Berlin-Germany. Representing Sri Lanka, 120 representatives from top 60 travel and tourism agencies and hotel sector took part in this event, making this event to be the one with the largest number of participants ever from Sri Lanka.

At the ITB 2014 travel trade show 10,147 tourism companies from 189 countries represented on a display area covering 160,000 square meters. The Sri Lanka delegation to Berlin was led by the Director General of Sri Lanka Tourism Development Authority, Dr. D. S. Jayaweera and The Ambassador of Sri Lanka in Germany, H.E. Mr. Sarath Kongahage with the officials from both institutes.

Sri Lanka Tourism Promotion Bureau (SLTPB), under the leadership of Hon. Basil Rajapaksa the Minister of Economic Development, has identified Germany as a key market among the traditional tourist markets of Sri Lanka, actions were taken to set up an attractive stall in the ITB, inclusive of all the tourism products related to the market of Germany.

Accordingly, this year Sri Lanka Tourism stall was specifically designed in order to showcase major attractions favoured by German

travellers. The tourism stall has given much focus on promoting Sri Lankan Ayurveda products, Sri Lankan wildlife, beaches and heritage to the German tourists. The Sri Lanka stand was ceremoniously opened on 05th March with the participation of key industry stakeholders of Sri Lanka.



The entrance to the Sri Lankan stand was displayed a replica of the ancient kingdom of Yapahuwa to highlight the ancient historical marvels of the country.

Two life size elephants were placed in the Sri Lankan stall to provide a feeling of the wildlife attractions available in Sri Lanka.

A wide screen video wall had been setup in with images and videos of beaches to give a live feeling of being in the beaches of Sri Lanka. Ayurveda and indigenous medicine had been a key attraction of ITB stall of Sri Lanka where separate area was dedicated for spa treatments and giving visitors the opportunity to experience various treatments at this section.

A traditional mask maker from Aluthgama did mask carving demonstrations at the stall while conducting sessions of mask painting to the visitors who came there. Ceylon tea was served throughout the ITB 2014 for visitors, through the Tea Bar placed inside the Sri Lanka pavilion.

Sri Lanka Tourism also specially designed branded kit for all co- participants from Sri Lanka including a brochure providing guidance for the participation of Sri Lanka at ITB 2014,

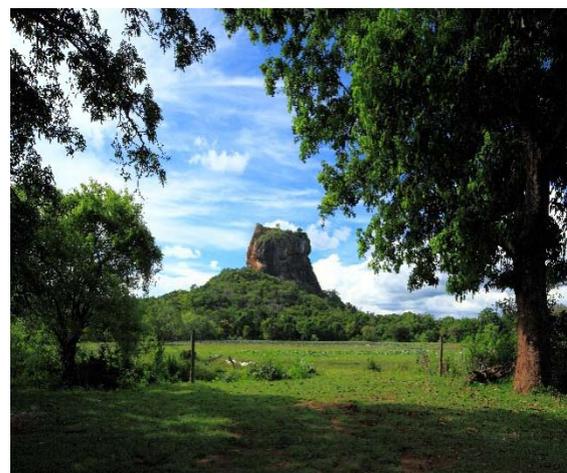
Dockets/ note books and pens/Bags, T-shirt and a cap.

With all these items in place Sri Lankan stall was able to attract many numbers with its unique design and experiences offered.

The Sri Lankan press conference was held on 5th March 2014 attended by International journalists representing major travel and tourism publications.



Around 5,700 accredited journalists from 81 countries and some 300 bloggers from 25 countries reported on events at ITB Berlin this year. Vice Chancellor and Federal Economics and Energy Minister Sigmar Gabriel, Federal Minister of Justice and Consumer Protection Heiko Maas and Governing Mayor of Berlin Klaus Wowereit visited Sri Lanka booth to find out what the travel industry had to offer.



TAXI BRANDING CAMPAIGN

Sri Lanka Tourism Promotion Bureau launched a mega taxi advertising campaign in Germany

in 2014 with the ceremonial launch of the campaign taken place on 07th March 2014 at Messe Berlin fairground during the ITB Travel and Trade Fair. Under this campaign 300 taxis were branded focusing on tourism attraction themes appealing to the German market such as Ayurveda, Wildlife, Beaches, Heritage and Culture featuring 'Sri Lanka – A Journey Awaits' tagline. The campaign covered four major cities in Germany such as Berlin,



Hamburg, Munich and Frankfurt running for a 6 months period consecutively.

The campaign had received very high response from the target audience in Germany and from the Sri Lanka travel trade partners. According to the research it shows that the German arrivals to Sri Lanka have increased by 24% compared to same period last year soon after the campaign was launched in four major cities. The travel agents and tour operators have said that the booking engine reservations from Germany has sharply increased and the inquiries made for Sri Lanka travel packages have gone up considerably since then. The Taxi campaign was aimed to attract high-end tourists to the country by reaching the key cities in Germany where the frequency of spotting these advertisements was quite high.

The German campaign has shown encouraging signs of the of Taxi branding campaigns by creating a huge impact through the four chosen locations in Germany by creating opportunity to attract winter holiday planners across Germany to Sri Lanka.



Bus Advertising Campaign

Sri Lanka Tourism was branded in 100 buses in Berlin and Frankfurt for a period of three months commenced in September 2014 which has also been a successful campaign targeting the potential visitors to Sri Lanka.



3.1.5 FRANCE

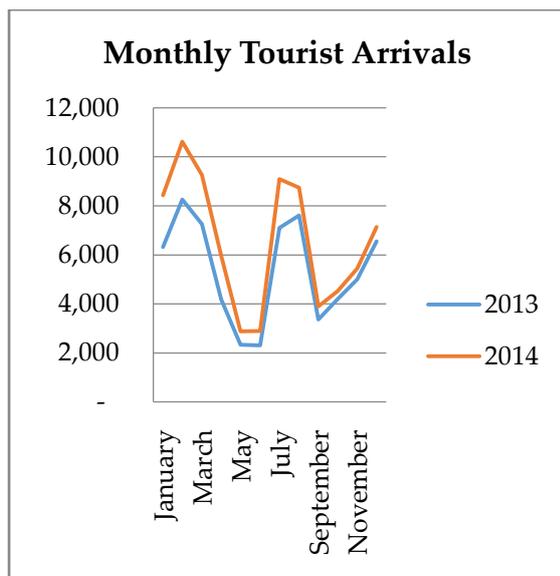


Figure 8 : Monthly Tourist Arrivals 2014 (SLTDA Statistical Report 2014)

France recorded 78,883 number of tourists to Sri Lanka during 2014. This was an increase of 23% compared with the 2013 arrivals. The peak season is from January to March and July to August. Month wise tourist arrivals from France are as follows.

Year	2013	2014
January	6,312	8,430
February	8,253	10,617
March	7,248	9,266
April	4,170	5,970
May	2,318	2,875
June	2,298	2,882
July	7,093	9,095
August	7,607	8,746
September	3,350	3,897
October	4,191	4,523
November	4,999	5,448
December	6,549	7,134
Total	64,388	78,883

Table 6 : Month Wise Tourist Arrivals from France 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

IFTM TOP RESA, FRANCE, 23RD-26TH SEPTEMBER 2014

IFTM, the largest professional travel fair which was historically held in Deauville, France called as TOP RESA was renamed in 2009 and was held now at Paris Porte De Versailles. This year the fair was held from the 29th September – 02nd October 2015. IFTM was the biggest and best travel trade show opportunity in France for Sri Lanka in the travel and tourism business where buyers and sellers meet. It provided great opportunities for exhibitors to develop and renew their contacts and explore new business avenues with diverse destination choices for the travel trade, and increase their awareness to the French Media. Sri Lanka Tourism successfully participated at IFTM 2014 with 18 travel trade representatives.

Decked with the majestic replica of the ancient rock fortress 'Yapahuwa', Sri Lanka showcased the ancient glory of the country attracting hundreds of visitors to the pavilion where interactions were made with the local travel and tour operators attending the event.

Sri Lanka's pavilion showcased major tourism themes through visual displays that captured the culture, heritage and scenic beauty of the island. Posters, brochures, guide books, and other promotional materials, also in French were available for visitors to view and read. Complimentary cups of Ceylon tea were served to visitors, which gave them an exclusive opportunity to taste the rich flavours of pure Ceylon Tea. As a result, the booth earned high praise from visitors. Traditional Sri Lankan dances were performed by the Sri Lankan dancers at the opening ceremony and with their unique artistic and traditional styles; these dance performances drew a large crowd to the Sri Lankan pavilion.

Sri Lanka's pavilion was ceremonially opened by Sri Lanka Ambassador to France Prof. Karunaratne Hangawatte, along with other

Embassy officials of Sri Lanka and the leading industry participants from Sri Lanka and other dignitaries who attended the opening ceremony.

The press conference saw over 30 leading French media participation representing tourism related media organizations in France where Ambassador engaged in a very interactive session at the end of which a raffle draw was held courtesy Sri Lankan Airlines in offering free passage to a lucky winner to visit Sri Lanka.

Taxi Branding Campaign

100 taxis for a period of six months were branded commencing September 2014 till March 2015 in Paris. This was supported to increase the brand visibility in France while developing a top of the mind recall about Sri Lanka among the potential France travellers.

Trade Familiarization Tours



Media Familiarisation Tours

SHOOTING OF PEKING EXPRESS REALITY SHOW- FRANCE M6 TV CHANNEL, 15TH-28TH FEBRUARY



Peking Express was a Dutch/Flemish adventure reality game show that follows a series of couples as they hitch-hike to or from Beijing. The series has already gone through five seasons in the Netherlands and Scandinavia.

This programme was produced for the French TV Channel, M6 of which 3 episodes out of 11 was shot in Sri Lanka where 330 minutes of exposure for Sri Lanka on 'Share the Dream' programme. A team of 48 members visited Sri Lanka for the filming of these three episodes.

Sri Lanka Tourism Promotion Bureau and The Echo Line Limited (ECL) - a Belgium based Film Production Company along with the French Company "Label Adventure" entered into an agreement for producing the 10th season of Adventure reality series called "Peking Express" for the French TV channel M6.



The tourism industry of Sri Lanka was received enormous publicity from this TV series to target western European travelers to attract through this program. Sri Lanka Tourism Promotion Bureau was hosting their entire stay during the filming in Sri Lanka in February 2014.



3.1.6 RUSSIA

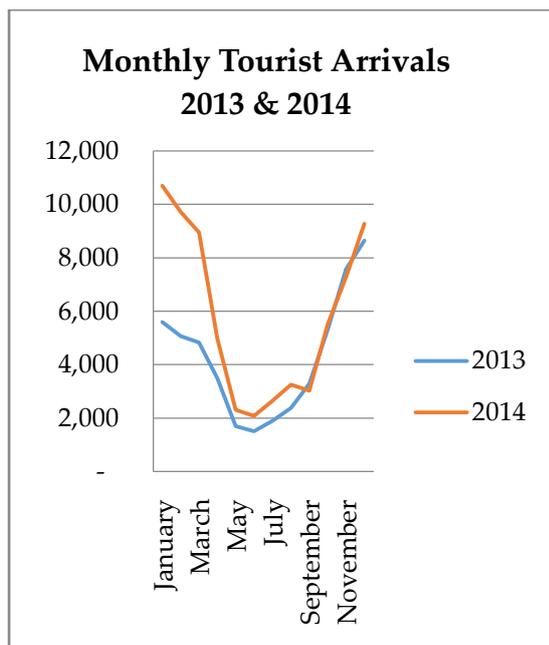


Figure 9 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Russia recorded 69,718 number of tourists to Sri Lanka during 2014. This was an increase of 36% compared with the 2013 arrivals. Peak season for Russians is from January to March. Month wise tourist arrivals from Russia are as follows.

Year	2013	2014
January	5,586	10,700
February	5,065	9,723
March	4,826	8,948
April	3,490	4,976
May	1,693	2,308
June	1,501	2,077
July	1,892	2,649
August	2,379	3,246
September	3,285	3,018
October	5,302	5,512
November	7,575	7,282
December	8,641	9,279
Total	51,235	69,718

Table 7 : Month Wise Tourist Arrivals from Russia (SLTDA Statistical Report 2014)

I. MITT TRAVEL FAIR, MOSCOW, 19TH-22ND MARCH 2014

MITT was one of the major Travel and Tourism fair takes place in Russia annually. MITT provides an opportunity for participants to obtain comprehensive information about the market, get acquainted with offers for the coming spring and summer seasons, hear professional opinions from business representatives and interact personally with influential figures in the tourism industry.

The Moscow International Travel & Tourism show continues to deliver a keen and valuable audience to exhibitors.

MITT attracts also the travel professionals from the bordering Central / Eastern European countries and remains the undisputed premier industry event in Russia.

MITT – Travel and Trade Exhibition and this year too for the 11th consecutive year SLTPB participated. This year Sri Lanka has represented by 14 leading travel and tour companies of the country with several objectives. It was the key meeting place for the industry and an opportunity to catch up with colleagues and clients.

In addition, it enables participants to increase awareness of their destination. Gain a real feel for the Russian travel market and gauge demand for their services.



Consumer & Travel Fair Participation

LEISURE MOSCOW, RUSSIA, 16TH -19THSEPTEMBER 2014

Luxury Leisure was the main International Autumn Trade Fair for Tourism in Russia and CIS and marks the beginning of the winter season. Importance of this event has extended beyond Russia during the past years and has received attention from the other neighbouring regions of Eastern Europe. SLTPB participated along with 12 local travel companies at this fair.

OTDYKH Leisure fair was one the largest international trade fair for tourism sector in Russia which took place in middle of September in Moscow.

It provided the unique opportunity for its participants to conclude business, establish face to face contacts and business relations with the partners from all over the Russia & CIS.

Leisure 2014, 8th International Trade Fair for Luxury Travel was the leading International Autumn Trade Fair for leisure travel in Russia and the CIS countries. Since 1995, the show marks the beginning of the winter season on Russian Travel Market.

LEISURE 2014 -16TH -19TH SEPTEMBER 2014



Sri Lanka participated at Leisure Travel and Tourism Fair in Moscow, Russia with participation 17 companies of Tourism industry. Otdykh Leisure was largest Tourism

meeting in Russia was held on 16th -19th September 2014.

MEGA TOURISM CARAVAN



The “Sri Lankan Night” at the Lotte Plaza was showcasing the “Beauty and Traditions” of Sri Lanka became a tremendous success and gave the right impetus to other activities to follow in the Mega Tourism Caravan 6 show.

Mega Tourism Caravan was held in six cities of Russia Moscow, Kazan, Samara, Saratov, Volgrogard, and Rostov from 29th May to 14th June 2014. The grand Sri Lanka Tourism Promotion Show- Mega Tourism Caravan 6 commenced its activities with a Cultural Show followed by a Banquet, fittingly named “Sri Lankan Night”.

During the year 2014 Mega Tourism Caravan travelled to 10 cities in Russia Belarus, Ukraine, and Moldova.

While promoting Sri Lanka as preferred tourism destination, the main objective of the mega tourism caravan was to reach maximum number of general public that can be used as a source of dissemination the concept of Sri Lanka as a preferred destination. In the year 2014 the project was carried out in 2 phases, Mega Caravan 6 and 7.



increase of 7% compared with the 2013 arrivals. Month wise tourist arrivals from Australia are as follows.

Year	2013	2014
January	4,860	5,535
February	3,029	3,368
March	4,209	3,564
April	3,731	5,232
May	2,665	2,840
June	4,064	4,430
July	4,724	5,124
August	4,454	4,371
September	4,404	4,421
October	3,312	3,794
November	4,012	4,423
December	10,788	10,838
Total	54,252	57,940

Table 8 : Month Wise Tourist Arrivals from Australia 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

TRAVEL INDUSTRY EXHIBITION-AUSTRALIA, 18TH-19TH JULY 2014



Travel Industry Exhibition was a B2B trade show exclusively for the Australian Travel Trade. This was held for the first time in Australia and took place on 18th& 19th July 2014 at the Royal Hall of Industries in Moore Park, Sydney. SLTPB participated along with 14 travel trade companies at this fair.

3.1.7 AUSTRALIA

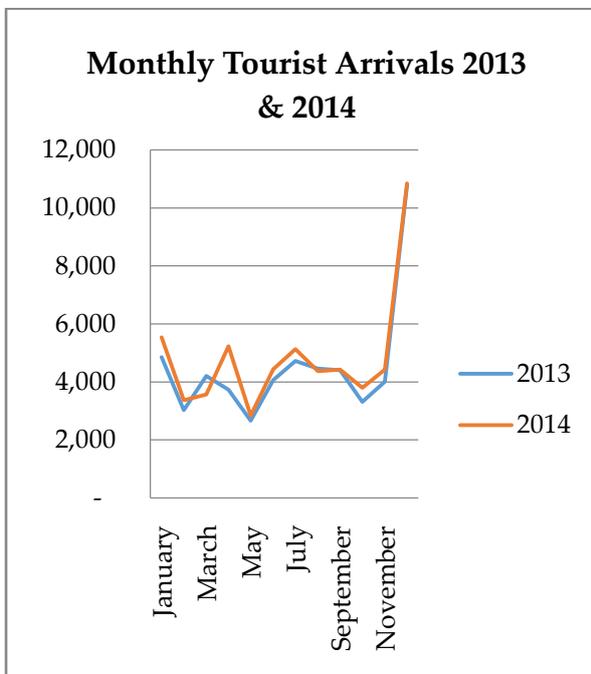


Figure 10 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Australia recorded 57,940 number of tourists to Sri Lanka during 2014. This was an

3.1.8 U.S.A



Figure 11 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

USA recorded 39,371 number of tourists to Sri Lanka during 2014. This was an increase of 13% compared with the 2013 arrivals. Month wise tourist arrivals from USA are as follows.

Year	2013	2014
January	2,920	3,839
February	2,892	2,880
March	3,260	3,401
April	2,323	3,097
May	2,084	2,449
June	2,769	3,130
July	2,855	3,493
August	2,780	2,648
September	1,789	2,191
October	2,761	3,275
November	2,632	2,951
December	5,625	6,017
Total	34,690	39,371

Table 9 : Month Wise Tourist Arrivals from USA 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

THE NEW YORK TIMES TRAVEL SHOW, USA, 28TH FEB- 2ND MARCH 2014, JACOB K. JAVITS CENTRE

The New York Times Travel Show was the largest consumer and trade travel event in North America and show featured nearly 500 exhibits representing more than 150 countries and two travel trade companies from Sri Lanka participated at this event along with SLTPB.

3.1.9 JAPAN

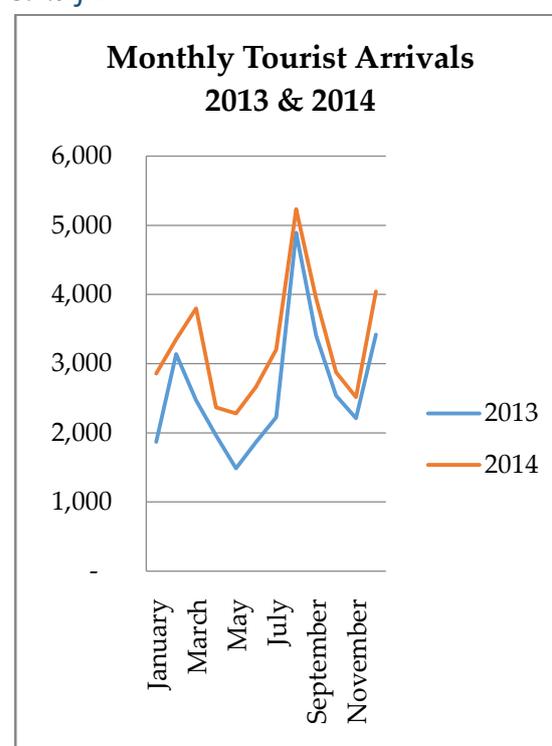


Figure 12 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Japan recorded 39,136 numbers of tourists to Sri Lanka during 2014. This was an increase of 24% compared with the 2013 arrivals. Month wise tourist arrivals from Japan are as follows.

Year	2013	2014
January	1,872	2,859
February	3,142	3,350
March	2,472	3,800
April	1,963	2,368
May	1,488	2,281
June	1,866	2,666
July	2,226	3,203
August	4,893	5,233
September	3,408	3,943
October	2,539	2,874
November	2,213	2,518
December	3,423	4,041
Total	31,505	39,136

Table 10 : Month Wise Tourist Arrivals from Japan 2014
(SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

JATA TOURISM EXPO, JAPAN, 25TH-28TH SEPTEMBER 2014

This year, JATA tourism stand was constructed in an area of 108 sq meters with 18 Sri Lankan Travel industry companies engaged in promoting tour packages for the Japanese market. The Sri Lanka Tourism stand was themed with main eight tourism products and specially displaying a mask wall which was a novel experience for the visitors. SLTPB participated at this year's fair along with the 14 local travel trade companies from 25th-28th September 2014.



There were three LED screens showing the Sri Lanka Tourism videos in Japanese language. There were 47 prefectures from Japan and 150 countries from all over the world exhibited at East Halls 01 – 07 at the venue. Sri Lanka Tourism Stand was visited by Mr. Otsuka Takashi, Secretary to the Ministry of Land, Infrastructure, Transport and Tourism and the Executive Committee of Japan Association of Travel Agents. Sri Lanka Tourism Promotion Bureau organized a dance troupe from the Ministry of Arts and Cultural Affairs of Western Province to perform at the travel fair which attracted a large audience. Their performances of traditional cultural items were much appreciated by the crowds. Further, Ceylon Tea counters which was operational on all three days attracted large crowds to taste Ceylon tea. During the three day period, over 5,000 Japanese visitors consumed tea at the counter. Sri Lanka Tourism Promotion Bureau conducted a consumer survey at the booth where 200 Japanese visitors indicated their opinion about Sri Lanka as a tourist destination. All were offered a souvenir for participating at the survey.

MARINE AND DIVING FAIR, TOKYO- JAPAN, 04TH-06TH APRIL 2014

Marine and Diving fair has been classified as the largest diving and resort exhibition in Asia and this year it was held in Tokyo, Japan during 4th-6th April. The fair had attracted many diving lovers out of million Japanese divers that were looking for new destinations and unique experience day by day.

Media Familiarisation Tours

FUJI TELEVISION NETWORK, JAPAN, 3RD-8TH JANUARY 2014

Fuji Television channel was rated No. 1, being the most popular television channel in Japan with a large viewership. The 12 member TV crew shot a special television programme to promote Sri Lanka in Japan titled “Shoko Nakagawa’s introduction to Sri Lanka- The country with a wealth of world heritage sites. This was an opportunity for Sri Lanka with Fuji Television Network to make 80-minute programme, which broadcast nationwide by Fuji Television Network channel during prime time on Sunday, 02nd March 2014, the focused on Sri Lanka’s world heritage sites, historical places, popular Sri Lankan food and other events of significance in related to Sri Lanka Tourism.

FOUR LUCKY WINNERS OF SHOKO NAKAGAWA’S INTRODUCTION PROGRAMME, JAPAN, 23RD-28TH JUNE 2014

05 members of the lucky winners of Shoko Nakagawa’s Introduction Programme was on a familiarization tour to Sri Lanka from 23rd-28th June 2014

3.1.10 CANADA

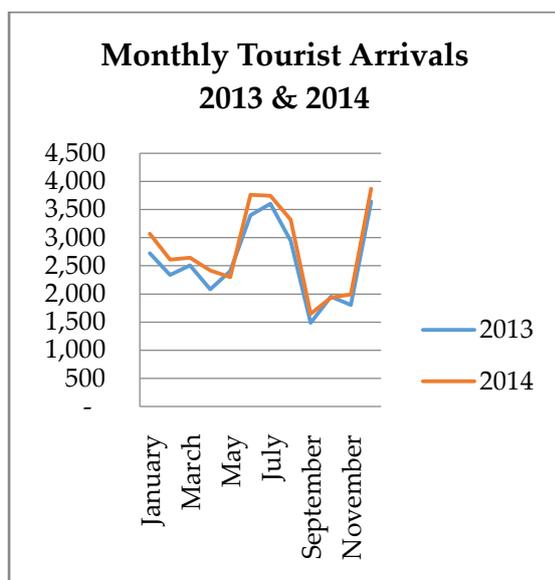


Figure 13 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Canada recorded 33,282 number of tourists to Sri Lanka during 2014. This was an increase of 8% compared with the 2013 arrivals. Month wise tourist arrivals from Canada are as follows.

Year	2013	2014
January	2,724	3,070
February	2,343	2,609
March	2,512	2,641
April	2,088	2,417
May	2,406	2,296
June	3,400	3,759
July	3,608	3,741
August	2,949	3,317
September	1,490	1,644
October	1,954	1,931
November	1,807	1,990
December	3,645	3,867
Total	30,926	33,282

Table 11 : Month Wise Tourist Arrivals from Canada (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

MEDIA CREW FROM QUBEC PROVINCE, CANADA FROM 1ST-7TH FEBRUARY 2014

Five member TV crew was hosted in Sri Lanka to produce a programme for Channel Evasion which was having 80,000 of viewership in Quebec French speaking province. The main focus of the programme was to promote Sri Lanka as a wedding and honeymoon destination.

3.1.11 Middle East

Consumer & Travel Fair Participation

RIYADH TRAVEL FAIR, 15TH-18TH APRIL 2014

Riyadh Travel Fair was held from 15th-18th April at Four Seasons Hotel Kingdom Tower in the Kingdom of Saudi Arabia. Sri Lanka exhibited at the fair for the first time along with 12 industry stake holders including Sri Lankan Airlines.

ARABIAN TRAVEL MARKET (ATM) 2014, 5TH-8TH MAY 2014



Arabian Travel Market (ATM) was the industry’s leading travel and tourism exhibition within the Middle Eastern and Pan Arab regions. Uniting Key market players from six continents, Arabian Travel Market was held on four days from 5th to 8th May 2014 at Dubai International Exhibition and Convention Centre.

Sri Lanka Tourism has been participating at this event since 2003 along with the members of the travel and industry in Sri Lanka and this was our 12th consecutive year of participation at the event with 52 representatives from top travel and tourism agencies and hotel sector participants and Sri Lankan Airlines.

THE INTERNATIONAL MEDITERRANEAN TOURISM MARKET (IMTM) 2014 ISRAEL, 11TH-12TH FEBRUARY 2014

The International Mediterranean Tourism Market (IMTM) 2014 was the largest annual professional and official exhibition for the tourism trade market in Israel which provides global exposure and business & travel opportunities for the tourism sector. This year the fair was held from 11th & 12th February 2014 at the Israel Trade Fairs & Conference Centre, Tel Aviv, Israel. The ORTRA Ltd and Israel Travel News Ltd were the main organizers of the “IMTM Fair” and sponsored by Israel Ministry of Tourism. This year over 50 countries from Europe, Asian Pacific and Latin America attended the event. The aim of this premier business travel fair was to promote and increase tourism

business and offer promotional activities in Israel. Over 50 countries attended the event. Opportunity was given for the small and medium sized enterprises (SME) to develop contacts with Israel and other European /Asian /Asian Pacific regions and to display their products and services.

Media Familiarisation Tours



Familiarization Tour was arranged for 19 tour operators and 4 journalists from Palestine from 20th-27th March 2014. Also there were fifteen media personnel representing Palestine News Agency TV and Radio, Al-Hayat newspaper and Palestine AL-Quds visited Sri Lanka on a familiarization tour.

3.1.12 NETHERLANDS



Figure 14 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Netherlands recorded 242,734 number of tourists to Sri Lanka during 2014. This was an increase of 9% compared with the 2013 arrivals. Month wise tourist arrivals from Netherlands are as follows.

Year	2013	2014
January	2,015	1,958
February	1,825	2,066
March	1,497	1,540
April	1,277	1,442
May	816	973
June	1,372	1,068
July	4,884	5,582
August	2,184	2,490
September	1,609	1,742
October	1,482	1,509
November	1,276	1,498
December	2,044	2,328
Total	22,281	24,196

Table 12 : Month Wise Tourist Arrivals from Netherlands 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

VAKANTIEBEURS, NETHERLANDS, UTRECHT, 14TH- 19TH JANUARY 2014



Vakantiebeurs - Utrecht International Tourism & Recreation Fair 2014 – Utrecht, The Netherlands was held on 14 – 19 Jan in Royal Dutch Jaarbeurs Exhibition and Convention Center, Utrecht. There was a 60 sqm of stand area allocated for the Sri Lankan

Booth and there were 06 trade participants. Audience was consisted with more Professional visitors and general public. There were 117,520 visitors (which was a significant increase of 13% compared to year 2013) were attended to the fair and there were 1208 Exhibitors participated with 18803 trade visitors.

Sri Lanka Embassy in Netherland participated at this fair on behalf of SLTPB. A high profile Dutch Television programme was broadcast in the Benelux region with an interview of H.E. the Ambassador of Netherlands and a 30 second promotional video filmed by a leading online website (www.reisbijbel.nl) which provided travel information of Sri Lanka as a tourist destination was also screened.



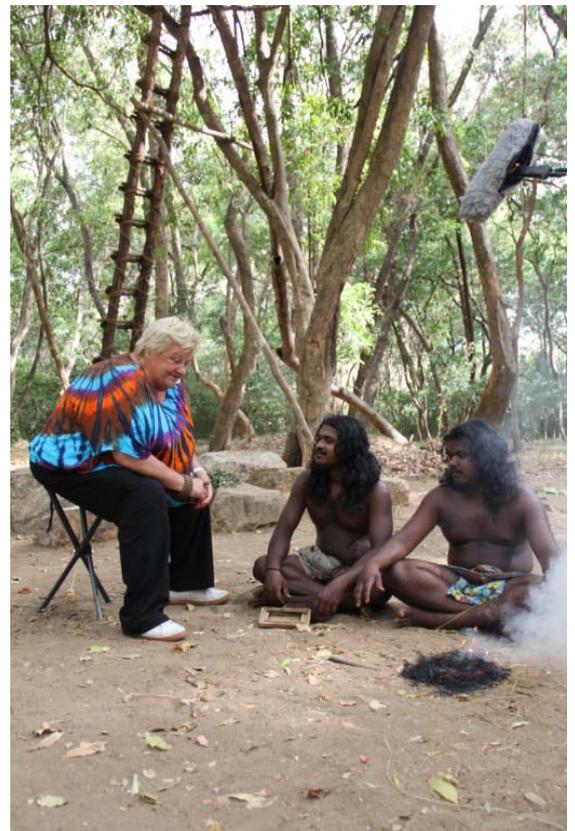
The décor used to decorate the stand highlighted all tourism attractions of Sri Lanka which warmly welcomed the visitors and gave them a flavour of perfectly blended culture and heritage of Sri Lanka. H E Mr. Buddhi Athauda, the Ambassador for Sri Lanka in The Netherlands inaugurated Sri Lanka stand at Vakantiebeurs 2014.

Media Familiarization Tours

ERICA OP REIS (ERICA'S TRAVELS) TV SERIES ON TRAVEL AND TOURISM, NIEHE MEDIA, 05 PAX 08 – 13 AUG

Erica op Reis was the highest-rated travel TV show in the Netherlands – featured in the first and most popular TV channel of the Dutch National TV. The focus of the

programme was on meeting inspiring people around the world, in order to enlarge the understanding and respect for other cultures. The programme was hosted by former Deputy Health Minister (State Secretary) in the Netherlands, who has won several journalistic and broadcasting awards, as well as two-time Olympic medalist Ms. Erica Terpstra. 'Erica op Reis' has an audience about 02 million viewers. The programme broadcast twice on the Dutch Public Channel (NED 1) with 06 broadcasts of 40 minute each. Their primary audience was between the age group of 20-70 in the middle to higher income group. Filming Areas were Colombo, Matale Alu Viharaya, and Kandy including Esala Perahera, ahiyananaya Temple, Dambana and NuwaraEliya



3.1.13 MALAYSIA



Figure 15 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Malaysia recorded 23178 number of tourists to Sri Lanka during 2014. This was an increase of 21% compared with the 2013 arrivals. Month wise tourist arrivals from Malaysia are as follows.

Year	2013	2014
January	1,258	2,059
February	2,418	1,756
March	1,516	2,301
April	965	1,322
May	1,732	1,735
June	2,169	2,807
July	1,062	1,684
August	1,520	1,542
September	1,233	1,509
October	1,248	1,822
November	1,875	2,018
December	2,185	2,623
Total	19,181	23,178

Table 13 : Month Wise Tourist Arrivals from Malaysia (SLTDA Statistical Report 2014)

MATTA TRAVEL FAIR, MALAYSIA, 05TH-07TH SEPTEMBER 2014



Malaysia has been identified as a rapidly growing market and shows a growth of 26% for the first half of the year. MATTA Travel fair was held at the Putra World Trade Centre from 05th-07th September 2014 with the participation of 12 local travel trade companies of Sri Lanka stall.

3.1.14 ITALY

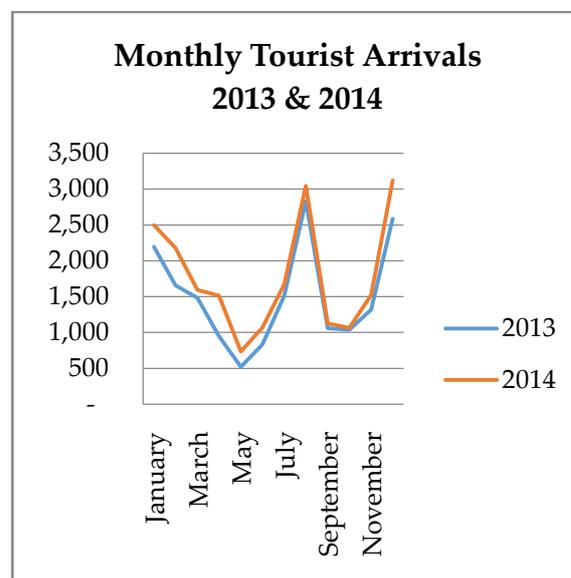


Figure 16 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Italy recorded 21116 number of tourists to Sri Lanka during 2014. This was an increase of 17% compared with the 2013 arrivals. Month wise tourist arrivals from Italy are as follows.

Year	2013	2014
January	2,196	2,497
February	1,655	2,177
March	1,484	1,592
April	948	1,511
May	520	732
June	830	1,068
July	1,513	1,673
August	2,833	3,043
September	1,059	1,125
October	1,036	1,060
November	1,318	1,519
December	2,590	3,119
Total	17,982	21,116

Table 14 : Month Wise Tourist Arrivals from Italy 2014
(SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

BIT TRAVEL FAIR, ITALY, 13TH-15TH FEBRUARY 2014

BIT was the largest exhibition in the world of the Italian tourist products and a comprehensive collection of the best international supply from over 120 countries. Importance of this event has extended beyond Italy during the past years and has received attention from the other neighbouring regions of Europe. BIT was an important meeting point of experts on tourism as well as on tourism service industries.

Sri Lanka Embassy in Rome, Italy represented Sri Lanka at BIT 2014 with the industry members on behalf of the Sri Lanka Tourism Promotion Bureau. Sri Lanka was a regular participant at BIT Travel Fair and it was successful participation for the destination. BIT 2014 was held in Milan, Italy from 13 - 15 Feb., 2014. The Sri Lanka stand had a floor area of 100 sq. The décor used to decorate the stand highlighted all tourism attractions of Sri Lanka which warmly welcomed the visitors and gave them a flavour of perfectly blended culture and heritage of Sri Lanka.

TTG INCONTRI - (INTERNATIONAL B2B TOURIST TRADE FAIR) WITH A 3 DAY WORKSHOP FOR TOURISM PROFESSIONALS 2014, RIMINI, ITALY FROM 09 – 11 OCT IN RIMINI FIERA



TTG Incontri was the most important B2B fair for tourism industry. It was a fundamental point of reference for the market, every year it grows in importance, quality of exhibitors / visitors, size and opportunities.

An appointment aimed at the real tourism business. TTG Incontri was officially qualified as an international fair and was the only Italian fair which was a member of the ITTFA (International Tourism Trade Fair Association). It was where international exhibitors meet the demand. It was the place for generating new contacts, launching new products and promoting company image to a target market where more than 70% of the visitors were from companies that distribute Italian and international tourism to the Italian consumer.



Sri Lanka Embassy in Rome, Italy represented Sri Lanka at TTG Incontri 2014 with the industry members on behalf of the Sri Lanka Tourism Promotion Bureau. Sri Lanka has

participated at TTG Incontri travel fair for the first time and was successful participation for the destination. This year's TTG Incontri was held in Rimini, Italy from 09 - 11 Oct., 2014. The Sri Lanka stand had a floor area of 48 sq. The décor used to decorate the stand highlighted all tourism attractions of Sri Lanka which warmly welcomed the visitors and gave them a flavour of perfectly blended culture and heritage of Sri Lanka.

H E Mr.Nawalage Bennet Cooray, the Ambassador for Sri Lanka in Italy inaugurated Sri Lanka stand at TTG Incontri 2014 on 09th Oct., the first day of the event by lighting of oil lamp with the industry members.



3.1.15 SINGAPORE

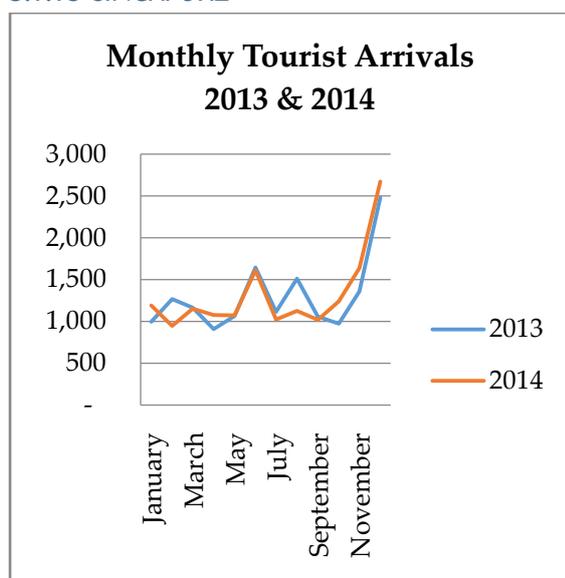


Figure 17: Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Singapore recorded 15,762 number of tourists to Sri Lanka during 2014. This was an

increase of 1% compared with the 2013 arrivals. Month wise tourist arrivals from Singapore are as follows.

Year	2013	2014
January	997	1,191
February	1,269	946
March	1,166	1,151
April	909	1,075
May	1,067	1,072
June	1,644	1,609
July	1,114	1,023
August	1,511	1,126
September	1,058	1,019
October	975	1,241
November	1,357	1,638
December	2,479	2,671
Total	15,546	15,762

Table 15 : Month Wise Tourist Arrivals from Singapore (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

ITB ASIA, SINGAPORE, 29TH-31TH OCTOBER 2014

This was a B to B trade show exclusive for the industry to contract business with Singaporean agents as well as with other agents from Far Eastern countries. This year it was held from 29th-31th October 2014 with the participation of 10 local travel companies of Sri Lanka stand.



3.1.16 Norway

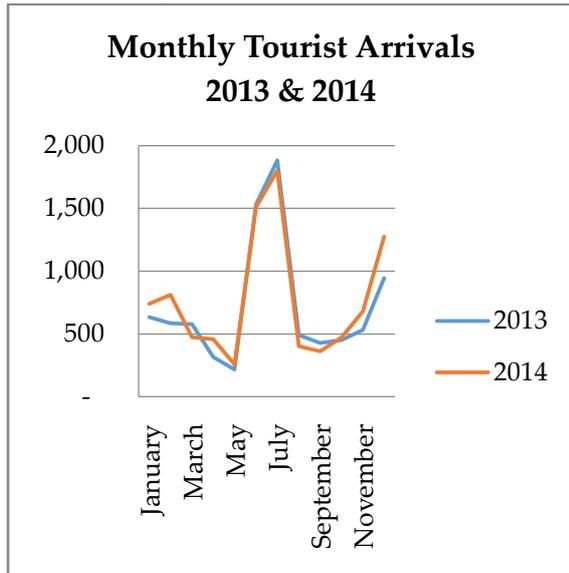


Figure 18 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Norway recorded 9,237 number of tourists to Sri Lanka during 2014. This was an increase of 8% compared with the 2013 arrivals. Month wise tourist arrivals from Norway are as follows.

Year	2013	2014
January	633	739
February	583	811
March	577	474
April	314	459
May	215	257
June	1,530	1,509
July	1,882	1,800
August	489	403
September	427	362
October	449	471
November	530	679
December	944	1,273
Total	8,573	9,237

Table 16 : Month Wise Tourist Arrivals from Norway 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

NORWEGIAN TRAVEL FAIR, NORWAY, 10TH-12TH JANUARY 2014

Sri Lanka Tourism in association with the Embassy of Sri Lanka in Oslo participated at the above travel fair held at Telender Arena from 10th-12th January 2014 with two local travel agencies. The fair attracted 45,000 visitors including 8,200 from travel trade.

This travel fair provided an ideal opportunity to showcase the beauty of Sri Lanka and the diverse attractions that the country offers to discerning visitors. More than 4,500 visitors made inquiries and obtained information at the Sri Lanka tourism booth.



3.1.17 SOUTH KOREA



Figure 19 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

South Korea recorded 13,412 number of tourists to Sri Lanka during 2014. This was an increase of 10% compared with the 2013 arrivals. Month wise tourist arrivals from South Korea are as follows.

Year	2013	2014
January	1,429	1,807
February	576	1,263
March	1,349	1,033
April	814	761
May	705	720
June	745	889
July	1,149	1,247
August	1,202	1,109
September	699	770
October	1,161	1,221
November	1,224	1,267
December	1,154	1,325
Total	12,207	13,412

Table 17 : Month Wise Tourist Arrivals from South Korea 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

27th KOREA WORLD TRAVEL FAIR (KOTFA) 2014



The Korea world travel fair (KOFTA) was held from 29th May- 01st June. It was the most important tourism fair being held in Seoul to attract more tour operators and tourism officials. 500 travel related organizations from over 60 countries participated this time. This

year there were 11 travel companies participated from Sri Lanka at Sri Lanka booth.

More than 4800 exhibitors and 120,600 trade visitors from 60 countries and domestic gathered for KOTFA ,making it the perfect meeting place for networking, face-to-face interaction, deals of tomorrow and building successful long-term business relationships.



BITF 2014

17th Busan International Travel Fair (BITF) 2014 was held from 12th - 15th Sep 2014 in Busan. One company was participated in the fair from Sri Lanka. The fair was facilitated by Sri Lanka Embassy.

KOREA –SRI LANKA TRAVEL & TOURISM CLUB LAUNCH

The Korea-Sri Lanka Travel & Tourism Club was launched at the Millennium Hilton Hotel in Seoul on 14th February 2014. The club was created to enhance the cultural and economic

relationship between Sri Lanka and South Korea. One of its main goals was to promote tourism, a core area of growth for Sri Lanka-Korea relations.



The chief guest of the event, Hon. Basil Rajapaksa, Minister of Economic Development met with more than 100 Korean and Sri Lankan members of the club who were present at the launch ceremony. Minister of Environment and Renewable Energy Hon. SusilPremajayathaa also attended the event. Sri Lanka was already being vigorously promoted in Korea's main markets, particularly through a series of promotional campaigns that was presented throughout the year. This club was provided the additional boost for the tourism campaigns. The members who participated in the event were very enthusiastic about the launch of club and wished the club success and that it brings about longstanding results in the way of bilateral co-operation, booming tourism, and a better understanding of the socio-economic identities and cultures of the two countries.



Media Familiarization Tours

KOREAN TRAVEL FAIR ORGANIZATION

Mr .Lee Myung Hoon, vice president of Korean Travel Fair organization visited Sri

Lanka from 23rd December to 03rd January 2014. The objective of this visit to gather first-hand information about Sri Lanka as a key tourist destination among the Korean tourists. In addition a group of journalists from Buddha TV visited Sri Lanka from 08th May to 11th May 2014 to produce a documentary about Sri Lanka to promote Sri Lanka as a key travel destination.

3.1.18 POLAND, HUNGARY, TURKEY, CZECH REPUBLIC



POLAND

Poland recorded 13,370 number of tourists to Sri Lanka during 2014. This was an increase of 38% compared with the 2013 arrivals. Month wise tourist arrivals from Poland are as follows.

Year	2013	2014
January	1,269	2,193
February	1,571	2,258
March	1,138	1,903
April	766	823
May	366	357
June	356	316
July	347	609
August	461	624
September	348	578
October	448	520
November	1,263	1,565
December	1,355	1,624
Total	9,688	13,370

Table 18 : Month Wise Tourist Arrivals from Poland 2014 (SLTDA Statistical Report 2014)

CZECH REPUBLIC

Czech Republic recorded 11,736 number of tourists to Sri Lanka during 2014. This was an increase of 32.1% compared with the 2013 arrivals. Month wise tourist arrivals from Czech Republic are as follows.

Year	2013	2014
January	994	1,323
February	1,581	1,996
March	1,148	1,464
April	629	1,083
May	214	268
June	230	280
July	451	595
August	368	614
September	331	619
October	533	598
November	1,086	1,454
December	1,316	1,442
Total	8,881	11,736

Table 19 : Month Wise Tourist Arrivals from Czech Republic 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

“SRI LANKAN EVENING” IN POLAND 26TH MARCH 2014

The Embassy of Sri Lanka in Poland together with the Bielany City Cultural Centre in Warsaw organized a “Sri Lankan Evening” on 26th March 2014 over 100 guests. The event was focused mainly on the promotion of tourism to Sri Lanka.

The gathering was shown a video presentation of Sri Lanka Tourism Promotion Bureau which showcased the rich cultural diversity, historic milestones and unprecedented development of Sri Lanka, giving the guests glimps of Sri Lanka- the pearl of the Indian Ocean.

TT WARSAW, POLAND 27 – 29 NOVEMBER 2014

Sri Lanka was a regular participant at TT Warsaw Travel Fair and it was a successful participation for the destination. TT Warsaw 2014 was held in Warsaw, Poland from 27 - 29 Nov., 2014.



The Sri Lanka stand had a floor area of 42 sqm. The décor used to decorate the stand highlighted all tourism attractions of Sri Lanka which warmly welcomed the visitors and gave them a flavour of perfectly blended culture and heritage of Sri Lanka. Sri Lanka Embassy in Poland represented Sri Lanka at TT Warsaw 2014 with the industry members on behalf of the Sri Lanka Tourism Promotion Bureau.

H E Mr. D S De Silva, the Ambassador for Sri Lanka in Poland inaugurated Sri Lanka stand at TT Warsaw 2014 on 27th Nov., the first day of the event by lighting of oil lamp with the industry members.



INTERNATIONAL EXHIBITION OF TOURISM,
SPECIAL EXPOSITIONS: HEALTH/SPA, BUSINESS
TOURISM (MICE SECTOR), ACTIVE TOURISM,
AIRPORTS & AIRLINES, POZNAN, POLAND

International Exhibition of Tourism was held in Poland on 23 -25 Oct at Poznan International Fair Grounds. Tour Salon occupies the pride of place as the largest trade show related to the tourism sector in Poland. The event brings together all professionals involved in various activities in the tourism sector, ranging from tour operators, travel agencies, and carriers, to accommodation service providers as well.

TOUR SALON 2014



Sri Lanka Embassy in Poland represented Sri Lanka at Tour Salon 2014 with the industry members on behalf of the Sri Lanka Tourism Promotion Bureau.

Tour Salon 2014 was held in Poznan, Poland from 23 - 25 Oct., 2014. The Sri Lanka stand had a floor area of 40 sqm. The décor used to decorate the stand highlighted all tourism attractions of Sri Lanka which warmly welcomed the visitors and gave them a flavour of perfectly blended culture and heritage of Sri Lanka.



“SRI LANKAN EVENING” IN POLAND 26TH
MARCH 2014

The Embassy of Sri Lanka in Poland together with the Bielany City Cultural Center in Warsaw organized a “Sri Lankan Evening” on 26th March 2014. The event was focused mainly on the promotion of tourism to Sri Lanka.



TOURISM PROMOTIONAL MORNING TOGETHER WITH DILMAH TEA ON THE 9TH OCTOBER 2014

H.E. D.S de Silva, Ambassador in Poland hosted tourism promotional morning together with Dilmah Tea on the 9th October 2014 to the Diplomats in Warsaw. There was a wonderful presentation about our country which covered all that makes Sri Lanka special. After that the Dilmah representative spoke of the journey of a tea leaf to the cup of tea with visuals of a tea plantation. The guests were treated to 4 different types of tea along with eats that complement the tea.



HOLIDAY WORLD - CENTRAL EUROPEAN TOURISM TRADE FAIR 2014 FROM 20 -23 FEB. AT PRAGUE EXHIBITION GROUNDS

All the visitors had the opportunity to travel through nearly the whole world in one single place. Over 800 exhibitors from 50 countries participated at the fair and there were around 35,000 visitors.

A festival full of adventure and experiences! The traditional World Film travel took place during the weekend in Křižík's Pavilion E as a part of the tourism fair. The film festival once again was loaded this year with discussions with travellers, unique screenings and exhibitions.

HOLIDAY WORLD TRAVEL & LEISURE FAIR, CZECH REPUBLIC, 20TH- 23RD FEBRUARY 2014



The Embassy of Sri Lanka in Vienna, Austria participated at the international Travel and Leisure Fair with two travel trade companies. This was the fourth time that Sri Lanka participated at this international Fair which was an opportunity to increase the awareness about Sri Lanka and also as a tourist destination. It also facilitated the local trade with a business platform to offer their products and to sign new business agreements.



3.1.19 AUSTRIA

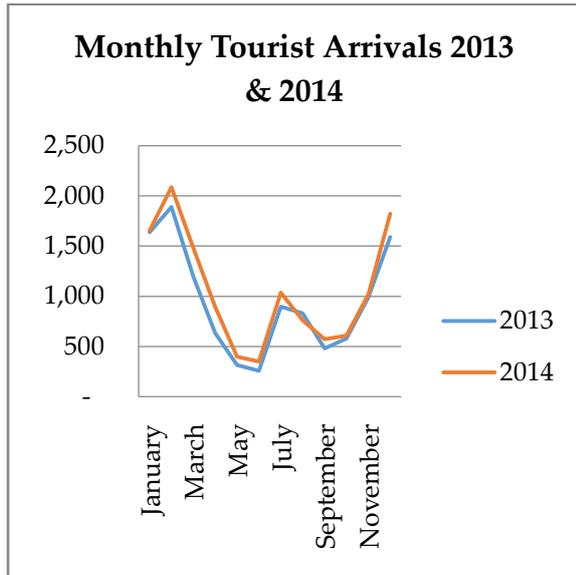


Figure 20 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Austria recorded 12,664 number of tourists to Sri Lanka during 2014. This was an increase of 12% compared with the 2013 arrivals.

Consumer & Travel Fair Participation

FERIEN 2014, AUSTRIA, 16TH- 19TH JANUARY 2014

Sri Lanka mission in Austria participated and represented SLTPN at FERIEN 2014 which was an international event for holidays, travel and leisure. There were more than 750 exhibitors from over 70 countries representing their holiday destinations at this fair. There have been a total of 150,367 visitors attended this year's exhibition.

HOLIDAY WORLD 2014



Sri Lanka Embassy in Austria represented Sri Lanka at Holiday World 2014 with the industry members on behalf of the Sri Lanka Tourism Promotion Bureau. This year's

Holiday World was held in Prague, Czech Republic from 20th to 23rd February, 2014. The Sri Lanka stand had a floor area of 20 sqm. The décor used to decorate the stand highlighted all tourism attractions of Sri Lanka which warmly welcomed the visitors and gave them a flavour of perfectly blended culture and heritage of Sri Lanka.



The public and trade visitors also displayed a particularly keen interest in Sri Lanka as a tourist destination and their response was extremely positive. The positive progress achieved by Sri Lanka at Holiday World 2014 confirmed its position as an important marketing instrument in the region for the local tourism industry.



FAMILIARIZING TOUR OF A JOURNALIST AND A PHOTOGRAPHER FROM PHILIPPINES. 27TH FEB- 7TH MARCH 2014

Mr. Nelson Navarro & Mrs. Gabriel Valenzuela visited Sri Lanka to collect information for the magazines such as Peoples Asia, Business News magazine and Rogue magazine.

Belgium recorded 9,915 number of tourists to Sri Lanka during 2014. This was an increase of 9% compared with the 2013 arrivals. Month wise tourist arrivals from Belgium are as follows.

3.1.20 BELGIUM

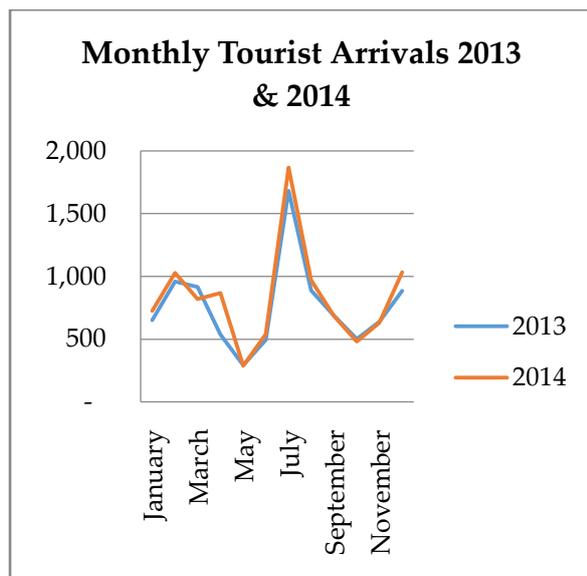


Figure 21 : Monthly Tourist Arrivals 2013 & 2014 (SLTDA Statistical Report 2014)

Year	2013	2014
January	652	723
February	959	1,027
March	917	817
April	536	867
May	293	286
June	494	538
July	1,682	1,866
August	889	968
September	688	684
October	502	479
November	640	629
December	886	1,031
Total	9,138	9,915

Table 20 : Month Wise Tourist Arrivals from Belgium 2014 (SLTDA Statistical Report 2014)

Consumer & Travel Fair Participation

BRUSSELS HOLIDAY FAIR, BELGIUM, 06TH-10TH FEBRUARY 2014

Sri Lanka participated at this fair for the 4th consecutive year which attracted around 100,576 visitors. Sri Lanka Embassy in Belgium represented Sri Lanka at the “Asian Village” on behalf of Sri Lanka Tourism Promotion Bureau with one representative from local travel trade. The objective was to increase the

awareness of Sri Lanka Tourism product to Belgium travel trade and consumers and facilitate business development for the local trade.



Sri Lanka Embassy in Belgium represented Sri Lanka at Brussels Holiday Fair 2014 with the industry members on behalf of the Sri Lanka Tourism Promotion Bureau.

Sri Lanka was a regular participant at Brussels Holiday Fair and it was successful participation for the destination. Brussels Holiday Fair 2014 was held in Brussels, Belgium from 06th to 10th February, 2014. The Sri Lanka stand had a floor area of 48 sqm. at the Asia Village.



Media Familiarisation Tours

VISIT OF TV CREW FROM BELGIUM, 02ND-12TH MARCH



"It's Belgians in Sri Lanka" | 'La Une' a Belgian French speaking TV channel | 04 members from 03 – 12 March filmed at Colombo, Pinnawala, Sigiriya, Polonnaruwa, Kandy, NuwaraEliya, Weligama, Galle and Negombo

Media crew from "La Une" a Belgian, French Radio and Television Channel consisting of 4 members visited Sri Lanka for a familiarization tour from 02nd to 12th March, 2014 to produce a documentary for Belgium National Television Channel which was having 500,000 viewership in Belgium, France and Luxemburg. This documentary was telecast 26 minutes programme as a prime time show which was be repeated twice promoting Sri Lanka during Easter holidays enabling Belgian travellers to take decision with regard to their destination for summer vacation.



Article about Sri Lanka with the pictures publicized in a magazine in March, 2014 named as "Touring Explorer". The Writer and the Photographer was Mr. Georges Gielens. Publicity was given in the cover page and the 08 pages editorial about Sri Lanka.

'A little bit of everybody' Documentary about different cultures and communities living in Brussels, In March, 2014– A French TV channel 'Tele Bruxelles' selected one Sri Lankan lady who lives in Belgium working as a nurse in the Erasmus hospital in Brussels, Belgium to provide this. Documentary which shows hospitality of Sri Lankan people, daily life of Sri Lankan people, Ceylon tea, etc.

3.2 GLOBAL ADVERTISING

Global Television Campaign with CNN & Al-Jazeera

SLTPB has launched an advertising and promotional campaign with CNN& Aljazeera. A 30 minute programme on Sri Lanka was included in their signature travel programme "CNN Go" was telecasted on CNN International on 12th March 2014 at 3.00 p.m (local time). Three commercials produced on Sri Lanka was also telecasted on CNN International Four commercials produced covering Galle, Beaches, Nature on Sri Lanka was telecasted on Al-Jazeera channel.

3.3 OTHER PROMOTIONAL ACTIVITIES

Welcome of ship excursionists

A passenger vessel named MV. ADONIA arrived at Colombo Port on 05th February 2014 with 600 passengers. SLTPB arranged a welcome Dance for the excursionists at the pier area of the port. Further an on board information desk was manned to provide information. Out of 600 passengers, over 400 passengers participated for Colombo city tour, tour to Pinnawala Elephant Orphanage.

3.4 LOCAL EVENTS

Local events arranged by private parties were promoted to attract wide range of tourists to the country identifying the year round festivals and special activities creating more opportunity for both global and domestic travellers to experience the country. This encourage community to involve in tourism industry in a more effective way.

SIYAWASAKA SINHALA EDUCATIONAL EXHIBITION, 28TH JANUARY- 02ND FEBRUARY 2014

An educational exhibition was held from 28th January to 02nd February 2014 at Makundara Central College, Matara where H E the President was the Chief Guest. SLTPB distributed tourism promotional materials among students and provided information about Sri Lanka to the students as well as visitors who came for the exhibition.

SANCHARAKAUDAWA



SLTPB supported the “Sancharaka Udawa” exhibition which was organized by the Sri Lanka Association of Inbound Tour Operators for the fourth consecutive year. Exhibition was held from June 27-28 at the Sri Lanka Exhibition and Convention Centre. The main objectives of “Sancharaka Udawa” were to provide opportunities for those less exposed to mainstream tourism, creating platform for small and medium service providers to network and build vital links with the tour operators and enter the wider spectrum of the tourism industry.

LAUNCH OF COLOMBO CITY TOURS



The Ministry of Defence and the Urban Development Authority join hands with the Colombo City Tour, the open deck city sightseeing service by Sri Lanka Tourism and Ebert Silva Holidays, to enable Sri Lankans and visitors from around the world to explore the wonders of Colombo.

The cultural performances in the city were commenced with the launch on the 18th of December at the Gold Market, now the ‘Gold hub’ in the heart of the city.

Capturing the many moods and colours of Colombo, the Colombo City Tour included the cultural dances in its tours enabling the guests on board to experience and feel what Colombo and Sri Lanka has to offer. Traversing through the city on open deck double decker’s the tours offer guided live commentaries in English by professional guides with snacks and many other offers on board. The Colombo City Tour showcases

the city in its daily city tours commencing from the Old Dutch Hospital, the oldest heritage building in the Fort area including tourist attractions in Colombo & suburb.

3.5 EXCEPTIONAL ACHIEVEMENTS

Sri Lanka Tourism welcomes 1,000,000 tourist of year 2014



Achieving another remarkable milestone in the country's booming tourism industry, Sri Lanka Tourism welcomed the arrival of 1,000,000th tourist in the year 2014 at the Bandaranaike International Airport on 28th August afternoon

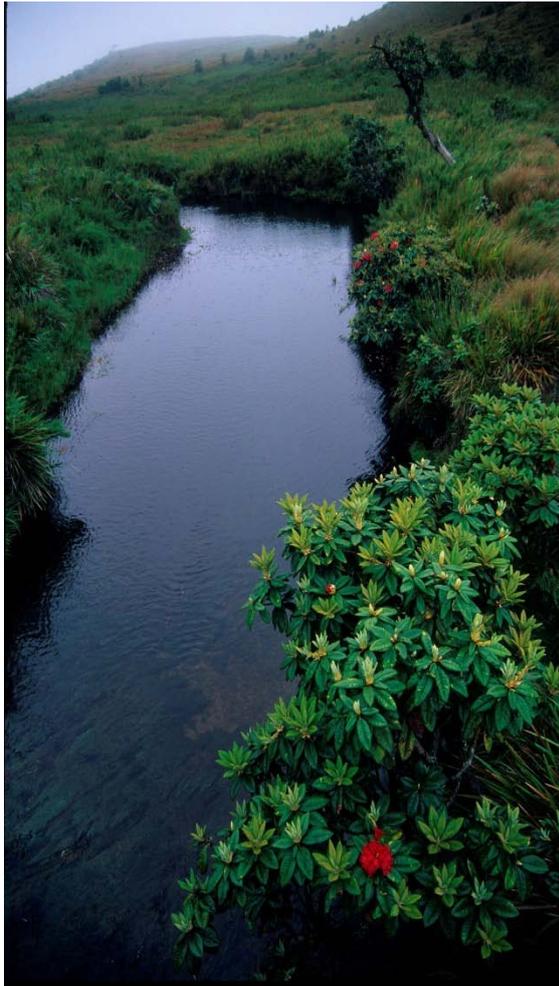
Sri Lanka tourism officials warmly welcomed the couple Mr Joshua Gladstein and Ms. Sophie Nathan who arrived via UL 504 Sri Lankan Airlines flight from London at 12.45 hrs. as the one millionth tourist in year 2014 to Sri Lanka. The couple has visited Sri Lanka on the date of their 1st wedding anniversary and said that they were indeed delighted to be the 01 millionth tourist of Sri Lanka. Special cultural dance performances was held at BIA to welcome the couple and Sri Lanka Tourism offered a special gift and a complimentary package to the lucky tourist couple to visit country's well-known attractions.

Sri Lanka Tourism welcomes 100,000th Chinese Tourist of year 2014



Achieving another remarkable milestone in the country's flourishing tourism industry; Sri Lanka Tourism welcomed the arrival of 100,000th Chinese tourist in year 2014. Sri Lanka Tourism officials along with representatives from travel and tourism industry warmly welcomed the couple HE YOUNG and CHEN HUI HUA from Shanghai who arrived via UL 867 Sri Lankan Airlines flight from Shanghai at 5.30 a.m. as the 100,000th tourist in year 2014 to Sri Lanka.

Special cultural dance performance was held at BIA to welcome the couple and Sri Lanka Tourism offered a special gift with a five-day package including accommodation at a high class hotel and air tickets for the lucky tourist couple to visit country's well-known attractions. Speaking to the media, they said that they decided to visit Sri Lanka when they saw the publicity programs and bus branding by Sri Lanka Tourism in the city of Shanghai.



2. "One of the World's Top 5 Destinations For 2012" | -Conde Nast Traveler Magazine
3. "Home to 8 World Heritage Sites" | UNESCO
4. "No:02 In The List of top 20 Tourist Destinations for 2012" | National Geographic Channel
5. "One of the Top 06 Destinations for Travel in 2012" | National Geographic Traveler Magazine
6. "One of the Top 5 Destinations Where UK Customers want to spend their Holiday" | KOUNI Annual Travel Report
7. 'Best Value for Money Destination - 2011" | -The Sunday Times Travel Magazine
8. "No:01 Travel Destination of the Year 2010" | New York Times
9. "Sri Lanka number one value for Money Destination" | Post Office Travel Money's 2012 | Long Haul Holiday Report – UK
10. "No. 1 Destination in 2013" | -Lonely Planet | (Top 10 Countries List)

INTERNATIONAL ENDORSEMENT ABOUT SRI LANKA IN 2014

- I. Sri Lanka | A True Wonder of Asia | "Sri Lanka among the world's top five exotic destinations to visit in 2012" | -HELLO Magazine – UK

4. FINANCIAL STATEMENTS – 2014

SRI LANKA TOURISM PROMOTION BUREAU

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 2014

	Note	2014 Rs.	2013(Restated) Rs.
ASSETS			
Current assets			
Cash and cash equivalents	3	1,475,570,317.04	1,279,773,078.32
Receivables	4	632,983,239.97	1,068,610,349.63
Advances	5	1,720,477.00	2,098,619.89
Prepayments	6	2,973,020.01	105,101.31
Employee Loans	7	2,045,021.60	1,956,393.00
Debtors	8	46,905.74	46,905.74
Inventories		12,683,911.64	15,555,831.93
		2,128,022,893.00	2,368,146,279.82
Non-current assets			
Property, Plant and Equipments	9	40,201,166.74	15,324,595.30
		40,201,166.74	15,324,595.30
Total assets		2,168,224,059.74	2,383,470,875.12
LIABILITIES			
Current liabilities			
Revenue in advance	10	14,016,458.58	13,107,856.20
Deposit payables	11	710,215.59	578,996.59
Employee benefits	12	5,429,335.50	5,089,957.58
Accrued expenses		184,086,444.99	406,000,125.96
Creditors	13	8,187,104.72	26,136,236.94
		212,429,559.38	450,913,173.27
Non-current liabilities			
Long term Borrowings		-	-
		-	-
Total liabilities		212,429,559.38	450,913,173.27
Net assets		1,955,794,500.36	1,932,557,701.85
NET ASSETS / EQUITY			
Capital contribution		33,069,156.52	33,069,156.52
Accumulated surpluses / (deficits)		1,922,725,343.84	1,899,488,545.33
Total Net Assets / Equity		1,955,794,500.36	1,932,557,701.85

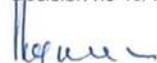
The Director Finance certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards, Finance act No. 38 of 1971 and Sri Lanka Tourism Act No. 38 of 2005



N.G. Dayarathna
Director Finance
Sri Lanka Tourism Promotion Bureau

The Board of directors is responsible for the preparation of these Financial Statements.

These financial statements were authorized by the Board of directors on 21 December 2015 by Board Decision no 13/13/2015



P.M. Withana
Chairman
Sri Lanka Tourism Promotion Bureau



Board Member
Sri Lanka Tourism Promotion Bureau

SRI LANKA TOURISM PROMOTION BUREAU
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2014 (Approved by the Board of Director)

	Note	2014 Rs.	2013 (Restated) Rs.
Revenue			
Embarkation Levy		1,245,836,302.72	1,121,826,951.37
Tourism Development Levy		736,719,357.73	667,871,914.00
Other revenue	14	174,751,716.58	196,759,874.73
			-
Total Revenue		2,157,307,377.03	1,986,458,740.10
Expenses			
Wages, salaries and employee benefits	15	39,850,129.03	30,985,628.95
Supplies and consumables used	16	31,520,141.86	35,249,321.76
Trade related expenditure	17	1,562,525,679.24	1,795,768,684.39
Depreciation and amortization expenses		2,416,064.53	3,187,777.45
Other expenses	18	2,951,965.94	2,295,044.98
Finance costs	19	500,106,597.92	58,362.28
			-
Total Expenses		2,139,370,578.52	1,867,544,819.81
Surplus / (deficit) for the period		17,936,798.51	118,913,920.29
Surplus / (deficit) brought forward		1,899,488,545.33	1,780,574,625.04
Revaluation Gain & Loss		5,300,000.00	
Surplus / (Deficit) carried forward		1,922,725,343.84	1,899,488,545.33

SRI LANKA TOURISM PROMOTION BUREAU
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31,2014 (Approved by the Board of Director)

	2014	2013
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (Deficit)	17,936,798.51	6,238,009.44
Non- cash movements		
Depreciation	2,416,064.53	3,601,521.66
Interest from staff loan	-	(68,589.78)
Provision for gratuity	339,377.92	(77,346.75)
(Increase) /Decrease in Receivables	435,627,109.66	(621,637,147.42)
(Increase) / Decrease in Advances	378,142.89	111,203.24
(Increase) / Decrease in Prepayments	(2,867,918.70)	2,703,826.25
(Increase) / Decrease in Loans	(88,628.60)	467,589.15
(Increase) / Decrease in Inventories	2,871,920.29	(5,922,877.65)
(Increase) / Decrease in Surplus fund		
Increase / (Decrease) in Short Term Investment		(1,000,000,000.00)
Increase / (Decrease) in Income in Advance	908,602.38	1,651,062.95
Increase / (Decrease) in Deposit Payable	131,219.00	(78,191.00)
Increase / (Decrease) in Accrued expenses	(221,913,680.97)	362,543,769.05
Increase / (Decrease) in Creditors	(17,949,132.22)	1,711,015.14
Interest from staff loan	-	68,589.78
Net cash flows from operating activities	217,789,874.69	(1,248,687,565.94)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,992,635.97)	(4,389,572.50)
Net cash flows from investing activities	(21,992,635.97)	(4,389,572.50)
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlement of borrowings	-	-
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	195,797,238.72	(1,253,077,138.44)
Cash and cash equivalents at beginning of period	1,279,773,078.32	1,528,741,158.65
Cash and cash equivalents at end of period	1,475,570,317.04	275,664,020.21

SRI LANKA TOURISM PROMOTION BUREAU
STATEMENT OF CHANGES IN NET ASSESS/EQUITY
FOR THE YEAR ENDED DECEMBER 31,2014 (APPROVED BY THE BOARD OF DIRECTOR)

	Contributed Capital	Accumulated Surpluses/(Deficits)	Total
	Rs.	Rs.	Rs.
Balance as at January 01,2014	33,069,156.52	1,780,574,625.04	1,813,643,781.56
Surplus/(deficit) for the period		118,913,920.29	118,913,920.29
Restatement			-
Restated balance as at December 31,2014	33,069,156.52	1,899,488,545.33	1,932,557,701.85
Surplus/(Deficit) for the period		23,236,798.51	23,236,798.51
Balance as at December 31,2014	33,069,156.52	1,922,725,343.84	1,955,794,500.36
Prior Year Income (6003-Year 2013)	10,000,000.00		
Prior Year Expenditure & Retain Earning Year 2013	114,470,054.71		
Difference	124,470,054.71		

NOTES TO THE FINANCIAL STATEMENTS 2014

I REPORTING ENTITY

1.1 Incorporation

In terms of Tourism Act No. 38 of 2005 Sri Lanka Tourism Promotion Bureau was established with effect from 01/10/2007.

1.2 Basis of Preparation and Accounting Policies

Financial statements have been prepared in compliance with the Sri Lanka Public Sector Accounting Standards (SLPSAS).

1.3 Objectives

The objectives of the Bureau are,

As per the action plan 2014 of Sri Lanka Tourism Promotion Bureau the objectives have been circulated as follows.

1. Encourage charter flight operations to improve airline connections.
2. Brand Sri Lanka as a peaceful destination for tourist, investors and international business community.
3. Introduce high level awareness programs to traditional tourism markets to increase the tourism arrivals.
4. Continue tourism promotions in emerging markets to sustain the present growth.
5. Develop and promote existing and new tourism products to benefit various stakeholders of the tourism industry.
6. Encourage SME sector to be a vibrant unit in the tourism economy to achieve backward integrations towards sustainable tourism.
7. Promote social responsible tourism to get the community tourism involvement in promoting the country.

1.4 Number of employees

Approved carder and actual carder of each category of staff are as follows.

	Staff Category	Approved Carder	Actual as at 31/12/2014
01	Senior Management	17	6
02	Middle Management	33	16
03	Other Staff	29	19
04	Primary Staff	6	4
	Total	88	42

1.5 Statement of compliance

The financial statements of the Sri Lanka Tourism Promotion Bureau comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Asset / Equity, Cash Flow Statement together with significant Accounting Policies and Notes are prepared in accordance with Sri Lanka Public Sector Accounting Standards in (SLPSAS) laid down by the Ministry of Finance & planning and them Institute of Chartered Accountants of Sri Lanka.

1.6 Basis of Measurement

The Financial Statements are prepared in accordance with historical cost convention.

1.7 Presentation Currency

All Financial Statement are prepared in Sri Lankan Rupees which is the functional currency.

1.8 Events after the Balance sheet Date

All the material events after the Balance Sheet date have been considered and appropriate adjustments/ disclosures have been made in the Financial Statements, where necessary.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Inventories

Stocks have been generally valued at cost or net realizable value whichever is lower using First in First out (FIFO) method.

2.2 Depreciation

The provision for depreciation is calculated on a straight line basis on the cost or valuation of all Property, Plant and Equipment, in order to write off such cost / valuation over the estimated useful lives from the date of acquisition as follows.

Description	Rate
Furniture & Fittings	7.5%
Computer & Equipment	25%
Motor Vehicles	25%
Air Conditioner	7.5%
Office Equipment	7.5%
Telephone	7.5%
Miscellaneous Equipment	7.5%

Motor vehicle, one of the asset class have been revalued, since cost of acquisition has been fully depreciated.

2.3 Office Building

Office space of the main office of the Bureau has obtained from the Sri Lanka Tourism Development Authority on rental basis.

2.4 Foreign Currency Transactions

These transactions are converted on the following basis.

Receipts & Payments - Actual rate

Cash & cash equivalent & liabilities -Closing rate

Fixed assets - Actual rate

Remittances - Actual rate

2.5 Related party transactions

No related party transactions were available to disclose as per the SLPSAS.

2.6 Provision for Gratuity

The Company makes full provision on account of gratuity that may fall due for payment under the payment of Gratuity Act No. 12 of 1983 for all employees who have completed one year of service

in accordance with Sri Lanka Accounting Standard. Investment has been made in state bank for the gratuity provision.

2.7 Accrued Expenditure

In terms of Sri Lanka public sector Accounting Standards, accrued expenditure defines as liabilities to pay for goods or services that have been received or supplied, but have not been paid, invoiced, or formally agreed with the supplier.

2.8 Contingency payments

Due to pending legal cases and lack of the proper approval of the following outstanding payment of the Indian International Film Academy Awards (IIFA) 2010 payment and Global Television Campaign were considered as contingency payment and disclose as a note according to the Board Decision no -12/28/2015

S/NO	DESCRIPTION	AMOUNT (RS.)
01	Global Television Campaign	310,762,704.25
02	Indian International Film Academy Awards (Annexure 01)	120,694,485.99
	Total	431,457,190.24

If we have to pay above contingency payment on the basis future decisions of Board of Directors then relevant subject officer should forward the board paper and will be paid as prior year adjustment in terms of the board decision.

2.9 Taxation

The Department of Inland Revenue has confirmed that the Sri Lanka Tourism Promotion Bureau is not entitle to claim, value Added Tax Refund.

In terms of Payee Tax Circular No 01 Dated 01/04/2014 Sri Lanka Tourism Promotion Bureau has deducted Payee Tax from the eligible employees and remitted to the Department of Inland Revenue, monthly during the year.

2.10 Other Revenue

The participation fees collected from the individual participants at the foreign promotional trade fairs, which are conducted and organized by the Sri Lanka Tourism Promotion Bureau.

2.11 Cash Flow Statement

The Cash Flow Statement has been prepared using the “Indirect Method” of preparing Cash Flows in accordance with the Sri Lanka Public Sector Accounting Standard “Cash Flow Statements”. Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalent include cash in hand and balances with banks.

2.12 Advance

The following advance are shown under current assets

Local Advance Rs. 1,720,477.00

ANNEXURE I - Amount claimed by various parties as IIFA (contingency) liabilities.

	Name of the Payee	Amount (Rs.)
1	Mount Lavinia Hotel	6,362,945
2	Jaysons Hospitality Services	162,247
3	TajSamudra	1,570,398
4	The Bollwood Leisure	259,500
5	Elite Indian Restaurant	2,131,940
6	Aitken Spence Cargo	1,149,613
7	Asian Fabrics Limited	5,278,111
8	Three Sixty Five	47,725
9	J.W.Percussion House	193,000
10	Soul Sounds Academy Choir	139,000
11	Lanka Sportreizen	390,200
12	Darshana Stationeries	36,478
13	Hero Stationers	118,460
14	Comtronics Lanka (Pvt) Ltd	25,000
15	Super Neat Technology (Pvt) Ltd	188,160
16	Clean tech (Pvt) Ltd	1,274,497
17	Lakfoil (Pvt) Ltd	49,684
18	Sri Lanka Handicrafts Board	30,455
19	Inovatec Information Technologies	66,690
20	Mobitel (Pvt) Ltd	139,200
21	PC House (Pvt) Ltd	1,116,000
22	John Keels Office Automation	203,840
23	Srimal Advertising	14,676,201
24	Colombo Municipal Council	624,520
25	Galadari Hotel	972,622
26	The Nilelse Company	317,218
27	Srilanka Airlines Limited	5,082,337
28	Amaya Hills-Kandy	22,484
29	Ace International Express	489,642
30	Imagine Entertainment	1,789,690
31	Asian Hotel Properties	23,288,005
32	Phoenix O & M (Pvt) Ltd	6,822,859
33	The Great Colombo Fashion	153,000
34	Ramada Colombo	65,179
35	Hotel Good Plaza Limited	496,906
36	The Sovereign Corporate Hotel	23,165
37	Grand Oriental Hotel	314,406
38	Ranmuthu Hotel	150,000
39	Excel Cabs (Pvt) Ltd	952,110
40	Srilankan Travels(USD 15728.28)	1,808,752
41	Beehive Communications(INR 17133)	73,933
42	Samudra Hotel	2,721,980
43	Ceylon Continental	3,407,340
44	DharshanHennedige	8,400
45	MASS	15,150
46	Walkers Tours Limited	2,165,958
47	Jetwing Travels	150,000
48	Abans Tours	1,508,500
49	Pelican Tours	102,400
50	Aitken Spence Travels	52,808

51	SarathWijesuriya	98,000
52	Lanka Travel Services	16,400
53	Ridge Crest	88,000
54	Amiru Travels	153,900
55	Visit Lanka	841,487
56	Wizcraft (USD 195000)	23,400,000
57	Dyorg (Pvt) Ltd	27,500
58	Karunaratne& Sons (Pvt) Ltd	55,421
59	Sign-Tech Advertising Services	60,564
60	Media Watch	69,216
61	Cinnamon Lakeside	1,247,809
62	VAT and NBT & Legal fees	5,447,481
	Total	120,694,486

As at 31st December 2014, following court cases were hearing at the court in the above institution.

- (01) M/S Asian Hotels & Properties PLC Vs SLTPB and STTDA – High Court of Western Province
- (02) M/S PC House PLC Vs SLTPB – District Court of Colombo
- (03) M/S PC House PLC vs. SLTPB – District Court of Colombo
- (04) M/S Walkers Tours vs. SLTPB and SLTDA - District Court of Colombo
- (05) M/S Trans Asia Hotels vs. SLTPB and SLTDA - District Court of Colombo
- (06) M/S Associated Newspapers of Ceylon Limited Vs SLTPB & Phoenix O & M (Pvt) Ltd- District Court of Colombo
- (07) Arbitration between M/S Cool tempo (Pvt) and SLTPB – ICLP Arbitration Centre
- (08) Arbitration between M/S Phoenix O& M (Pvt) and SLTPB – ICLP Arbitration Centre

But as at the date of submission accounts of 2014, payment of the following two cases have been decided to pay with/ without penalty and charges according to order of the courts.

- (01) M/S PC House PLC Vs SLTPB – District Court of Colombo – Rs.840,000/=
- (02) M/S Walkers Tours Vs. SLTPB and SLTDA - District Court of Colombo – Rs.2,134,886.32/=

2. SUBMISSION OF ACCOUNTS

Due to the changes of the top management and Board of Directors of the Bureau and delay of such appointment during the year the annual accounts of 2014, could not be finalized and submitted to the Auditor General on due date (28 February 2015)

Due to uncertainty of some transaction and commitment of the financial year the Board of Management has referred all the expenditure which have been forwarded to the payment offer the close of accounts of the year to the committee appointed by Secretary of the former Ministry of Tourism and Sports to submit suitable recommendations. Until the direction of the committee the liability provision could not be finalized the annual accounts in terms of the paragraph 6.5.1 of the good governance circular.

03. Cash and cash equivalents

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Cash at Bank - HO - Main Account	(81,485,839.35)	(8,751,758.59)
Cash at Bank - HO - Private Sector	6,147,716.42	255,904,967.32
Cash at Bank - Kandy/ TIC	142,466.11	187,536.71
Overseas Office - UK	-	10,135.64
Overseas Office - India	78,700.36	78,700.36
Cash in Transit	38,565,609.90	32,343,496.88
Petty Cash	28,000.00	-
Short term Investment	1,512,093,663.60	1,000,000,000.00
Total Cash and cash equivalents	1,475,570,317.04	1,279,773,078.32

04. Receivables

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Consumer Brochure - UK	2,428,920.00	2,428,920.00
Fuel deposit	200,000.00	100,000.00
Vehicle hiring deposit- Excel Cabs	20,000.00	20,000.00
Hikkaaduwan Tickets	876,000.00	876,000.00
ATM 2011 Space Cost	359,844.58	1,807,792.08
American Premium Water System	4,000.00	4,000.00
Interest Income from Repo Investment	26,610,849.39	-
ICPL Arbitration Centre	25,000.00	25,000.00
Sponsorship for CHOGM	-	90,350,000.00
Embarkation Levy	199,792,498.19	497,082,141.16
Bank Grantee for Katunayake Rent (Deposit Date 07.03.2014 - Maturity Date 01/01/2017)	1,403,005.29	-
Bank Grantee for Katunayake Rent (Deposit Date 07.03.2014 - Maturity Date 01/01/2017)	342,720.00	-
Tourism Development Levy	400,590,402.52	475,586,496.39
Property Finance & Investment Kandy	330,000.00	330,000.00
Total Receivables	632,983,239.97	1,068,610,349.63

05.0 Advances

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Local Advances	1,720,477.00	1,979,721.06
Foreign Advances	-	118,898.83
Total Advances	1,720,477.00	2,098,619.89

06. Prepayments

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Service Agreement	-	105,101.31
Medical Renewal - (Sri Lanka Insurance Corporation Ltd for year 2015)	2,927,357.51	-
Three Fax Machine (Metropolitan Office (Pvt) Ltd - 01/01/2015-27/10/2015)	22,400.00	-
Toshiba Photo Copier (John Keels office Automation (pvt) ltd 01.01.2015-16/11/2015)	15,312.51	-
Air Conditioner (Airtec International (pvt) ltd 01.01.2015 -30/09/2015)	7,949.99	-
Total Prepayments	2,973,020.01	105,101.31

07. Employees - Loans

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Employees - Loans	2,045,021.60	1,956,393.00
Total Employees - Loans	2,045,021.60	1,956,393.00

08. Debtors

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Sundry debtors - SLTDA	46,905.74	46,905.74
Total Debtors	46,905.74	46,905.74

09. Property, Plant & Equipment

Description	Balance as at 01/01/2014	Additions 2014	Transfer 2014	Net addition for the year 2014	Balance as at 31/12/2014	Acc. Depreciation as	Depreciation for 2014	Depreciation on Disposal 2014	Acc. Depreciation as at 31/12/2014	Net Book Value as at 31/12/2014
	Rs	Rs	Rs		Rs	Rs	Rs	Rs	Rs	Rs
Building Development Cost	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	9,762,579.53	392,980.40		392,980.40	10,155,559.93	3,728,054.07	734,661.33		4,462,715.40	5,692,844.53
Telephones	769,039.00	52,522.57		52,522.57	821,561.57	192,872.54	58,222.09		251,094.63	570,466.94
Computer Equipment	13,412,596.81	2,581,750.00		2,581,750.00	15,994,346.81	9,740,112.03	818,735.27	5,985.00	10,552,862.30	5,441,484.51
Office Equipment	3,765,294.50	1,965,693.00		1,965,693.00	5,730,987.50	1,214,239.56	305,442.47		1,519,682.03	4,211,305.47
Motor Vehicles	7,400,000.00	13,600,000.00	(2,100,000.00)	11,500,000.00	18,900,000.00	-	333,287.00		333,287.00	18,566,713.00
Computer Software	867,750.00	723,500.00		723,500.00	1,591,250.00	-	-		-	1,591,250.00
Air Conditioners	717,900.00			-	717,900.00	202,452.15	53,842.50		256,294.65	461,605.35
Miscellaneous Equipment	1,436,185.35	2,676,190.00		2,676,190.00	4,112,375.35	335,004.54	111,873.87		446,878.41	3,665,496.94
Total	38,131,345.19	21,992,635.97	(2,100,000.00)	19,892,635.97	58,023,981.16	15,412,734.89	2,416,064.53	5,985.00	17,822,814.42	40,201,166.74

10. Revenue in Advance (Income In Advance)

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Foreign Trade Fairs	14,016,458.58	13,107,856.20
Total Revenue in Advance	14,016,458.58	13,107,856.20

11. Deposit Payable

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Refundable Tender Deposit	497,080.00	377,080.00
Retention Payable	199,251.40	193,553.40
Others	13,884.19	8,363.19
Total Deposit Payable	710,215.59	578,996.59

12. Employee Benefits

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Provision for Retirement Gratuity brought forward	5,089,957.58	5,167,304.33
Gratuity Provision	1,331,156.92	725,494.76
Gratuity Paid	991,779.00	802,841.51
Total Employee Benefits	5,429,335.50	5,089,957.58

13. Creditors

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Sundry creditors - SLTDA(Water, Electricity & Telephone bills)	8,187,104.72	26,091,752.94
Sundry creditors - SLTTHM		44,484.00
Total Creditors	8,187,104.72	26,136,236.94

14. Other Revenue

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Revenue from literature & photographic materials	497,695.00	950,215.00
Revenue from Interest - Staff loan	72,769.23	68,589.78
Trade Contribution	90,834,657.72	70,147,550.53
Revenue from Interest - Bank	82,642,014.52	-
Exchange Rate Gain	534,742.31	569.42
CHOGM	-	114,147,950.00
Tender Deposit	17,000.00	1,445,000.00
Others	152,837.80	10,000,000.00
Total Other Revenue	174,751,716.58	196,759,874.73

15. Wages, Salaries and Employee benefits

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Salaries & Allowances	28,850,738.39	21,564,150.72
Holiday Allowance	15,729.25	21,216.50
Overtime	698,939.42	606,128.93
Board's contribution to EPF	1,327,971.86	1,377,760.68
Board's contribution to ETF	265,594.40	274,468.92
Staff Welfare & Attendance Incentive	3,744,106.43	3,084,997.71
Travelling - Local	112,945.00	135,002.50
Uniform to Staff	284,994.97	37,770.00
Gratuity	1,331,156.92	817,714.19
Insurance	3,144,951.96	2,901,118.05
Staff Training	73,000.43	165,297.75
Total Wages, Salaries and Employee benefits	39,850,129.03	30,985,625.95

16. Supplies and Consumables used

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Stationery	1,665,216.48	1,074,610.08
IT Consultation	311,215.11	
Telephone and internet	2,417,069.52	2,420,195.23
Postage, courier and Stamps	525,926.32	1,339,827.99
Rent – Building	8,611,014.62	7,057,439.76
Electricity	3,894,086.49	4,038,528.40
Maintenance – Equipment	1,720,342.91	771,524.07
Maintenance & Repairs - Vehicles	1,612,724.91	1,864,895.56
Hire of Vehicles	4,784,181.41	11,153,988.48
Water	295,465.98	193,823.44
Books & periodicals	336,910.00	376,854.00
Fuel Charges	1,339,699.50	1,059,957.72
Entertainment local	344,002.52	917,226.45
Cleaning Suppliers	1,395,945.21	2,033,088.58
Security	864,732.99	877,283.00
Maintenance Building	409,620.00	15,579.00
Rates & Licences	29,180.00	3,500.00
Menus & Flowers	-	51,000.00
Staff Recruitments	962,807.89	-
Total Supplies and Consumables used	31,520,141.86	35,249,321.76

17. Trade Related Expenditure

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Promotions & Advertising - Foreign	734,582,024.61	448,298,756.34
Local Awareness Campaign	-	1,862,275.07
Promotions & Advertising - Local (Media)	6,574,410.75	3,407,023.01
Production of Tourist Communication Material	102,540,507.27	51,177,291.24
Events (Including Donation)	56,889,495.65	31,324,839.34
Event – CHOGM	-	292,532,476.56
VJP and Trade FAM Tours	49,690,190.73	64,613,996.79
Social Responsibility Promotion	37,907,680.00	-
New product Development & Leisure Known Attraction	5,812,097.60	-
Administration China & Russia & UK	3,101,478.36	7,276,836.23
Trade Fair – ITB	48,536,273.58	38,166,954.59
Trade Fair – WTM	49,889,952.14	54,145,556.12
Web maintain & E - News, Global on line	2,416,028.80	2,970,414.84
Advertising - General	-	19,286,413.56
Global Television Campaign	236,031,241.20	-
Visitor facilities & Attraction	1,172,831.84	2,401,649.40
Print Media Advertising	29,057,402.13	-
Working With Airlines & Special	1,398,417.98	-
Working with Missions	-	1,976,057.55
3 day campaign- India	-	140,351,583.16
3 day campaign- China	157,399,715.17	239,079,588.01
3 day campaign- Russia	-	123,601,024.42
Bus Advertising- China	39,525,931.43	273,295,948.16
Total Trade Related Expenditure - Local	1,562,525,679.24	1,795,768,684.39

18. Other Expenses

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Board Member Allowance	344,055.67	200,770.00
Procurement Committee Member Allowance	1,296,837.69	871,900.00
Audit Fees	475,000.00	762,570.00
Legal Fees	800,232.58	432,624.98
Stamp Duty	35,840.00	27,180.00
Total Other Expenses	2,951,965.94	2,295,044.98

19. Finance Costs

Description	2014 (Rs.)	2013 (Restated) (Rs.)
Bank Charges	106,597.92	58,362.28
surplus fund	500,000,000.00	-
Total Finance Costs	500,106,597.92	58,362.28

5. AUDITOR GENERAL'S REVIEW



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Auditor General's Department

TIP/A/SLTPB/01/14/05

05 October 2016

The Chairman,
Sri Lanka Tourism Promotion Bureau

Report of the Auditor General on the Financial Statements of the Sri Lanka Tourism Promotion Bureau for the year ended 31 December 2014 in terms of Section 14(2) (c) of the Finance Act, No.38 of 1971

The audit of financial statements of the Sri Lanka Tourism Promotion Bureau for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 20 of the Tourism Act, No. 38 of 2005. My comments and observations which I consider should be published with the Annual Report of the Bureau in terms of Section 14(2)(c) of the Finance Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

True Copy
[Signature]

S. YAKANDAWALA
Deputy Auditor General
Auditor General's Department
No. 306/72, Polduwa Road,
Battaramulla.





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1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.





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2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Tourism Promotion Bureau as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

Even though assets and liabilities shall not be offset unless required or permitted by an Accounting Standard, according to Sri Lanka Public Sector Accounting Standard 01, the negative bank balance of Rs.81,485,839 had been set off against the value of cash and cash equivalents and shown in the financial statements as at 31 December of the year under review.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) The sum of Rs. 500 million remitted to the Treasury had been included in the financial expenditure of the statement of financial performance instead of been adjusted to the surplus of the year under review.
- (b) Action had not been taken to consider the possibility of the recovery of outstanding debtor balances and the receivable balances amounting to Rs. 4,090,670 for over a period of 02 years and to make provisions thereon.

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2.2.3 Unexplained Differences

Even though the creditors' balance relating to the Sri Lanka Tourism Promotion Bureau amounted to Rs. 8,187,104 in the financial statements of the Bureau, according to the financial statements of the Tourism Development Authority, the debtors' balance relating to the Bureau had been Rs. 8,753,371, thus observing a difference of Rs. 566,267.

2.3 Lack of Evidence for Audit

The following observations are made.

- (a) A sum of Rs. 655,474,602 remitted to High Commissions had been brought to account as trade expenditure. Nevertheless, tender documents and invoices relating to the confirmation of expenditure and evidence that money had been acknowledged by the relevant parties, was not made available to audit.
- (b) Documentary evidence relating to the confirmation of the sum of Rs. 38,565,610 included in the financial statements as cash in transit was not made available to audit.
- (c) Even though a sum of Rs. 3,304,920 recoverable from the United States Promotion Office and an external party had been outstanding for a long period, those balances had not been confirmed by the relevant parties.

2.4 Accounts Receivable and Payable

The receivable balances as at 31 December of the year under review, included a total sum of Rs.2,448,920 older than 4 years and a total sum of Rs. 1,594,844 older than 01 year and less than 04 years. Further, the payable balances included a sum of

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Rs. 48,000 older than 04 years and a sum of Rs. 7,836,960 older than 02 years and less than 04 years.

2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance observed during the course of audit are given below.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Sub-section 09 of Section 40 of Chapter VII of the Tourism Act, No. 38 of 2005	The report of the functions of the Bureau, half yearly statement of accounts, an expected plan for a period of three ensuing years and statements containing the performance relating to the plan presented for the previous year which should be submitted to the Minister before the expiry of a period of three months from the end of each calendar year, had not been submitted.
(b) Finance Act, No. 38 of 1971	
(i) Sub section 5 of Section 10	Even though all sums remaining out of the net surplus revenue in any year shall be paid to the Consolidated Fund, action had not been so taken.
(ii) Sub-sections 2 and 3 of Section 16	Concurrence of both the appropriate Minister and the Minister of Finance had not been obtained for the overdraft amounting to Rs.81,485,839 as at 31 December of the year under review.
Financial Regulation 396 of the	Action had not been taken in terms of Financial

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| (c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka | Regulations in respect of cheques valued at Rs. 139,573, the period of validity of which had expired. |
| (d) Section 9.14.1 of Chapter 9 of the Public Enterprises Guidelines No. PED/12 of 02 June 2003 on Good Governance | All rules and regulations made for all matters in respect of human resources management should be approved by the Board of Directors with the concurrence of the Secretary to the Treasury. However, the Bureau had not complied with that requirement. |

2.6 Transactions not Supported by Adequate Authority

A sponsorship allowance of Rs. 5,000,000 had been granted to a certain private institution without an approval of the Minister of Finance and Planning in terms of the Circular No.57 of 11 February 2011 of the Department of Public Enterprises.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Bureau for the year ended 31 December 2014 had resulted in a surplus of Rs.17,936,798 as compared with the corresponding surplus of Rs.118,913,920 for the preceding year, thus indicating a deterioration of Rs.100,977,122 in the financial result. The financial result had deteriorated due to charging the sum of Rs. 500 million remitted to the Treasury as financial expenses during the year under review.

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3.2 Legal Action initiated against the Bureau

Eight cases filed against the Bureau by private institutions and parties who had provided services and supplies claiming for payments amounting to Rs.120,694,486 for the International Indian Film Awards Ceremony had been pending even by the end of the year under review.

3.3 Unusual Increase in Expenditure

An unusual increase of Rs. 683,787,300 was observed in 09 Items of Expenditure in the year under review as compared with the year 2013.

3.4 Working Capital Management

According to the working capital ratios computed for the year under review and the two preceding years, it was observed that there was a high liquidity and continuous short term investment of money had caused to it.

	2014	2013	2012
Current	10.1:1	5.25:1	2.84:1
Quick	9.96:1	5.2.2:1	2.83:1





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4. Operating Review

4.1 Performance

The expenditure on trading activities during the year under review amounted to Rs.1,562 million and that expenditure had decreased by 12.9 per cent as compared with the preceding year. However, the increase in the tourist arrivals in the year under review, as compared with the year 2013 had been 19.8 per cent and the income of Sri Lanka had improved by US\$ 0.716 billion or 41.7 per cent as compared with the preceding year. As such, any direct impact of the expenditure on trade activities on the tourist arrival or income on tourism in Sri Lanka was not ensured.

4.2 Transactions of Contentious Nature

The following observations are made.

- (a) Two gems valued at Rs. 350,000 purchased by deviating from the tender procedure for the trade exhibition held in the United Kingdom from 3 to 6 November 2014 and two gems received free of charge to the Bureau had not been included in the stock books and the value of 02 gems received free of charge had not been assessed and brought to account. According to the examination reports of the Gem and Jewellery Authority, the weight of 4 gems received to the Bureau had been 1.4, 1.6, 1.63 and 1.54 karats and according to the invoices, weight of two gems purchased at a cost of Rs.350,000 had been 5.6 karats. As such, the imbalance of the weight of the gems with the examination report of the Gem and Jewellery Authority was of contentious nature in audit.
- (b) In awarding the contract for construction of trade exhibition stalls for the trade exhibition (WTM (UK) 2014) held in the United Kingdom, despite the opening of letters calling for quotation before 4 days of the date on which letters should be opened, absence from participation at the opening of tender documents by the

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tenderer or representative and not taking action to enter into an agreement with the British High Commission and send a copy of that to the Promotion Bureau by the contractor as instructed and non-availability of a certificate of a responsible officer ensuring that the trade exhibition stalls had been satisfactorily built, the Bureau had made a payment of Rs. 17,803,508 for the above construction.

- (c) A sum of Rs. 7,800,000 had been spent for the purchase of T shirts for the Tourism Promotion Programme (Leisure Travel and Tourism Fair -2014) held in Moscow, Russia. Nevertheless, that stock of T shirts had not been received to the Bureau and documents prepared for purchases could not be accepted in audit.
- (d) Despite confirming through the Director of material supplying institution that the stock of T shirts printed by spending Rs. 5,824,000 based on the World Tourism Day in the year under review, had been used for the publicity of a political party, action had not been taken even by August 2016, the date of audit to carry out an inquiry in that connection.
- (e) Evidence was not made available to audit to ensure whether the sum of Rs.99,439,900 (excluding tax) paid to two private institutions for the implementation of a programme for promotion of social responsibilities within the field of tourism, had been used for the fulfilment of the objectives of the Bureau. It was revealed that the Minister had appointed a three person committee to examine into this matter. The Chairman of the Bureau had informed the audit that this committee had handed over a report to the relevant Minister and future actions thereon had not been commenced up to now.
- (f) The contract valued at Rs.33.9 million for the creation of Home Stay Publicity Programme had been awarded to a private firm under limited quotations without entering into a written agreement and awarding it to a Government institution. An advance of Rs. 14,500,000 had been paid to the contractor in the year under review and that amount had been retained in hand of the contractor for a period of 8 months without performing the relevant purpose

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and returned the money in the year 2015 to the Bureau. As such, it was observed in audit that he was allowed to misappropriate public money.

4.3 Uneconomic Transactions

Evidence had not been made available to audit that the documents in respect of Familiarization Tours covering several places with tourist attractions in Sri Lanka by spending Rs. 3,506,757 for a group consisting of 12 Chinese media personnel, had been broadcasted on Chinese media. As such, the cost incurred on this tour was observed as an uneconomic expenditure.

4.4 Personnel Administration

Even though the approved cadre of the Bureau was 88, the actual cadre was 45, thus the number of vacancies was 43. It was observed that conveying tourism promotional purposes to the optimum level had been obstructed due to the considerable number of vacancies that existed in the Top Management of the Bureau.

4.5 Utilization of Vehicles

A payment of Rs. 40 per kilometre had been agreed in hiring motor vehicles and a sum of Rs. 4,784,181 had been paid as vehicle hire charges for running 95,692 kilometres in the year under review. A sum of Rs. 50 had been spent for one kilometer of running due to failure in running the minimum number of kilometres per day.

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5. Accountability and Good Governance

5.1 Presentation of Financial Statements

Even though accounts should be presented to the Auditor General within 60 days of the closure of the year of accounts in terms of Section 6.5.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements of the year under review had been presented to the Auditor General on 05 January 2016, with a delay of 10 months.

5.2 Action Plan

The following observations are made.

- (a) The strengths, weaknesses, advantages and threats of the Bureau had not been identified and included in the Action Plan prepared for the year under review. Further, a methodology had not been introduced as well for the periodical review of the progress of the activities included in the Action Plan.
- (b) In the examination of the Action Plan and the annual performance reports presented for the year 2014 by the Bureau, it was observed that 94 out of 137 projects expected to be completed during the year could not be fulfilled.

5.3 Internal Audit

Even though the internal audit function of the Bureau had been assigned to the Internal Audit Division of the Ministry, a copy of the Internal Audit Programme and the copies of half yearly audit reports had not been furnished to the Auditor General.

5.4 Procurement Plan

Even though a Procurement Plan should be prepared so as to cover a minimum of three years along with the detailed report for the ensuing year in terms of Sections

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4.2.1 (a) and (c) of Chapter 4 of the National Procurement Circular No.8 of 25 January 2006, the Bureau had not prepared that plan.

5.5 Budgetary Control

The following observations are made.

- (a) Even though a budget had been prepared, the approval of the Board of Directors for the budget had not been obtained and it had not been prepared 3 months before the commencement of the financial year in terms of provisions in Section 8(1) of the Finance Act, No. 38 of 1971.
- (b) Variances ranging from 20 per cent to 100 per cent were observed between the budgeted amounts and the actual amounts of 35 items for the year under review, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Bureau from time to time. Special attention is needed in respect of the following areas of systems and controls.

- (a) Budgetary Control
- (b) Accounting
- (c) Trade and Marketing Activities
- (d) Human Resources Management
- (e) Procurement
- (f) Internal Audit
- (g) Financial Management

H.M. Gamini Wijesinghe

Auditor General





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